

***SCHOOL DISTRICT
OF
BOROUGH OF JAMESBURG***

***JAMESBURG
BOARD OF EDUCATION***

***COUNTY OF MIDDLESEX
JAMESBURG, NEW JERSEY***

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

**JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2015**

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INTRODUCTORY SECTION

JAMESBURG PUBLIC SCHOOLS
BOARD OF EDUCATION
13 Augusta Street
Jamesburg, NJ 08831

November 18, 2016

Honorable President and
Members of the Board of Education
Jamesburg School District
County of Middlesex, New Jersey

Dear Members of the Board of Education:

The Comprehensive Annual Financial Report (C.A.F.R.) of the Jamesburg School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in the auditor's report are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The C.A.F.R. is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements, management's discussion and analysis, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the 1996 Single Audit Act amendments and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Jamesburg School District is an independent reporting entity within the criteria adopted by G.A.S.B. (Governmental Accounting Standards Board) established by Statement No. 14. All funds and account groups of the District are included in this report. The Jamesburg Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. The District's high school students attend Monroe Township High School pursuant to a sending/receiving agreement between the two school districts.

These services include general as well as special education (grades pre-K through 8) programs. The District completed the 2015-2016 fiscal year with an in district enrollment of 676 students, which is 25 (3.84 %) students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over an eight-year period. These figures do not include those students sent out of district for special education placements.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2015-2016	676	3.84
2014-2015	651	1.24
2013-2014	643	4.55
2012-2013	615	-3.45
2011-2012	637	-2.90
2010-2011	656	5.63
2009-2010	621	0.16
2008-2009	620	- 1.43

2. ECONOMIC CONDITION AND OUTLOOK:

The Jamesburg area is experiencing stability in in real estate values after a period of decline. The Borough's commercial base is experiencing revitalization after a period of decline, with several new businesses and restaurants opening or relocating to the area. This has increased employment opportunities and strengthened the ratable base.

3. MAJOR INITIATIVES:

The district continue to attempt to address the needs of a rapidly expanding ESL population by offering academic support programs aimed at assisting students to read at higher levels. A dual-language program was started in kindergarten in an attempt to immerse students into a world language. The middle school implemented a one-on-one Chrome book initiative and each grade level at the elementary level has access to full carts of these laptops. The k-3rd grade initiated a new math series with subsequent grades adding this program in the coming years.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as a re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

6. ACCOUNTING SYSTEM AND REPORTS:

A District's accounting records must reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibilities for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2016, and the amount and percentage of increase/(decrease) in relation to the prior year.

Revenue	2015-2016 Amount	Percent of Total	Increase (Decrease) From 2014-15	Percent of Increase (Decrease)
Local Sources	8,102,626	54.7%	342,110	4.41%
State Sources	6,262,704	42.3%	154,376	2.53%
Federal Sources	438,645	3.0%	43,634	11.01%
Totals	<u>\$ 14,803,975</u>	<u>100.0%</u>	<u>\$540,120</u>	<u>3.79%</u>

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2016, and the amount and percentage of increase/ (decrease) in relation to the prior year.

Expenditures	2014-2015 Amount	Percent of Total	Increase (Decrease) From 2014-15	Percent of Increase (Decrease)
Current Expense				
Instruction	3,444,133	24.6%	251,464	7.88%
Undistributed	9,481,160	67.8%	(346,750)	-3.53%
Capital Outlays	89,054	0.6%	26,892	43.26%
Special Revenues	524,473	3.8%	60,579	13.06%
Debt Service	447,500	3.2%	(65,772)	-12.81%
Totals	<u>\$ 13,986,320</u>	<u>100.0%</u>	<u>\$(73,587)</u>	<u>-5.23%</u>

8. DEBT ADMINISTRATION:

During the 2015-2016 school year, the District retired \$360,000.00 of the principal balance on its outstanding Bonds. At June 30, 2016, the District has \$2,010,000 of bonds outstanding. These bonds will mature annually on January 1 in the years 2017 through 2021.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was initially enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act. 2009 amendments to the Act established a sliding collateralization scale for public depositories accepting governmental deposits that is based upon the capitalization level of the depository.

10. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to, general liability and comprehensive collision, hazard and theft insurance on property and contents, and fidelity bonds. Exhibit J-20 provides a summary of the coverage amounts and deductibles.

11. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Jamesburg Board of Education for taking initiative to provide fiscal accountability to the taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. Further, the preparation of this report could not have been accomplished without the efficient and dedicated services of our business office staff members.

Respectfully Submitted,

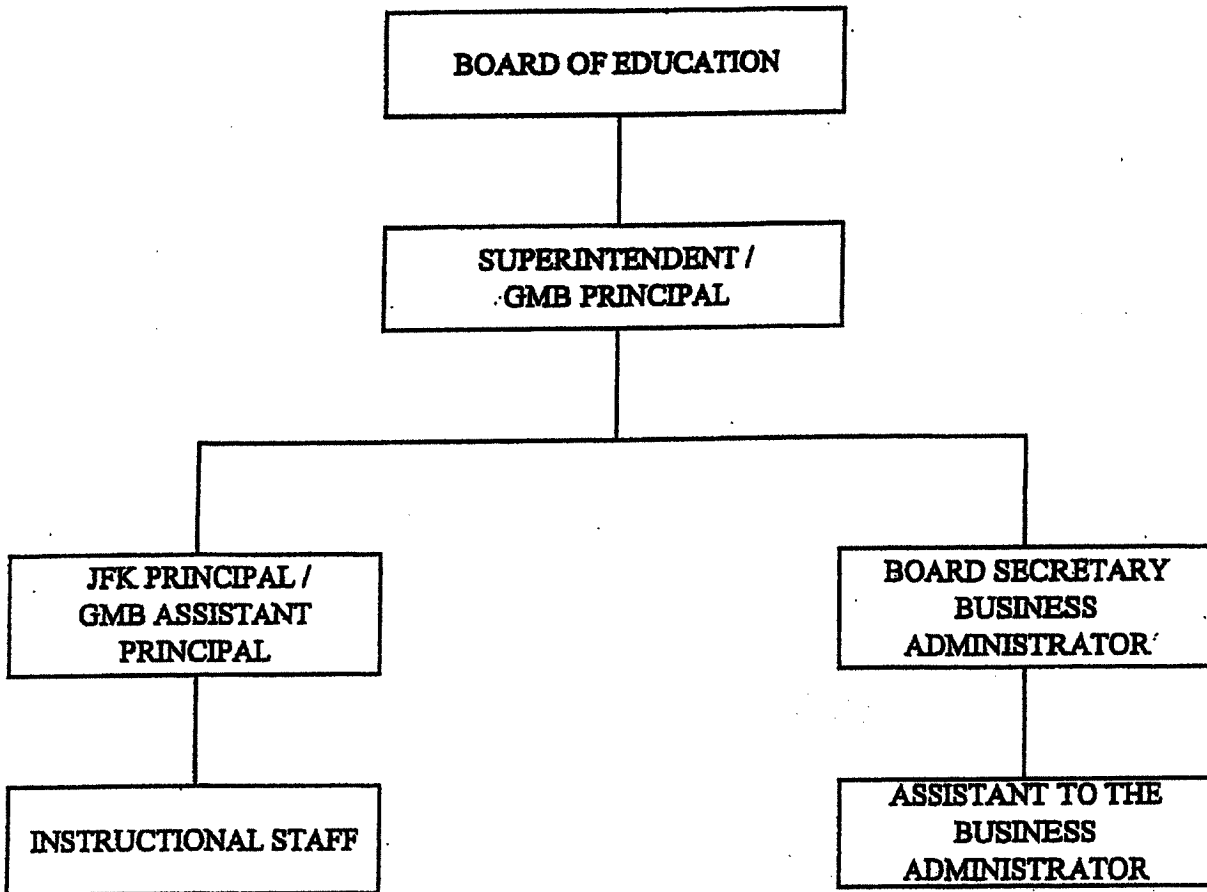


Brian Betze
Superintendent



Beth Brooks
School Business Administrator/Board Secretary

JAMESBURG BOARD OF EDUCATION
Organizational Chart
(Unit Control)



**BOARD OF EDUCATION
BOROUGH OF JAMESBURG**

**ROSTER OF OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Robert Czarneski	President	2018
Daniel Hansen	Vice President	2016
Salvatore Brucato	Member	2017
William Cicoria	Member	2016
Elliott Stroul	Member	2018
Linda Newton	Member	2017
William Maresca	Member	2017
Paul Rutsky	Member	2018
Kerryann Holster	Member	2016

Other Officials

Superintendent of Schools – Mr. Brian Betze

Beth Brooks, CPA, Business Administrator/Board Secretary

Denise Jawidzik, Treasurer of School Funds

Stephen Bacigalupo II, Esq.

**BOARD OF EDUCATION
BOROUGH OF JAMESBURG
CONSULTANTS AND ADVISORS**

Audit Firm

**Hodulik & Morrison, P.A.
1102 Raritan Avenue
Highland Park, New Jersey 08904**

Attorney

**Schwartz, Simon, Edelstein & Celso LLC
Attorneys at Law
100 South Jefferson Road Suite 200
Whippany, New Jersey 07981**

Official Depository

**PNC Bank
Two Tower Blvd.
East Brunswick, New Jersey 08816**

FINANCIAL SECTION

HODULIK & MORRISON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS
PUBLIC SCHOOL ACCOUNTANTS
1102 RARITAN AVENUE, P.O. BOX 1450
HIGHLAND PARK, NJ 08904
(732) 393-1000
(732) 393-1196 (FAX)

ANDREW G. HODULIK, CPA, RMA, PSA
ROBERT S. MORRISON, CPA, RMA, PSA

MEMBERS OF:
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Jamesburg School District
County of Middlesex, New Jersey

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Jamesburg School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

OPINIONS

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

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Jamesburg School District's basic financial statements as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements, and long-term debt schedules, as listed in the table of contents, the schedule of state financial assistance, required by New Jersey OMB Circular 15-08, and the other information, including the introductory section and the statistical section are presented for purpose of additional analysis and are not a required part of the financial statements.

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016 on our consideration of the Borough of Jamesburg School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Borough of Jamesburg School District's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Robert S. Morrison

Robert S. Morrison
Public School Accountant
PSA # 871

Highland Park, New Jersey
November 18, 2016

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

**Jamesburg Board of Education
Jamesburg, New Jersey
Middlesex County**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
(Unaudited)
June 30, 2016**

The Jamesburg School District (the “District”) discussion and analysis is designed to provide an overview of the District’s financial activities for the year ended June 30, 2016, identify changes in the District’s financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District’s Financial Statements.

FINANCIAL HIGHLIGHTS

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

- Net position of governmental activities decreased \$(848,896.81) represents a 285.45% decrease from fiscal year 2015. Net position of business-type activities increased \$41,779.92 or 10.89% from fiscal year 2015.
- General Revenues accounted for \$6,790,924.03 in revenue or 51% of all revenues. Program specific revenues, in the form of charges for services and sales, grants and contributions accounted for \$6,518,989.43 or 49% of total revenues of \$13,309,913.72.
- Total assets of governmental activities increased by \$693,331.80 primarily from an increase of cash and cash equivalents.
- The School District had \$14,158,810.27 in expenses related to governmental activities. General revenues (primarily property taxes and grants and entitlements) of \$13,309,814.72 were generally adequate to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**District-wide
Financial
Statements**

**Fund
Financial
Statements**

**Notes to the
Financial
Statements**

Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, Deferred inflows/outflows of resources, financial and capital, short-term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

The two district-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, one must consider that the school district's goal is to provide services to students, not to generate profit as commercial entities do. One must also consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the district.

In the district-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's food services and latch key program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three kinds of funds:

- **Governmental funds:** Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

- Fiduciary funds: The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$(551,471.54) at June 30, 2016. Of this amount, (\$4,622,628.39) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

Figure A-3
Net Position

	Governmental Activities <u>2015</u>	Governmental Activities <u>2016</u>	% Increase (Decrease)
Current and other assets	\$ 732,262.66	\$ 1,038,909.87	41.86%
Capital assets	<u>4,378,258.00</u>	<u>4,764,942.59</u>	<u>8.83%</u>
Total assets	<u>\$5,110,520.66</u>	<u>\$5,803,852.46</u>	<u>13.56%</u>
Deferred Outflows of Resources	<u>186,719.48</u>	<u>398,960.33</u>	<u>113.67%</u>
Total Deferred Outflows	<u>186,719.48</u>	<u>398,960.33</u>	
Current and other liabilities	\$ 388,196.77	\$ 386,208.02	-0.51%
Long-term liabilities	<u>4,493,476.37</u>	<u>6,255,514.31</u>	<u>39.21%</u>
Total liabilities	<u>4,881,673.14</u>	<u>6,641,722.33</u>	<u>36.05%</u>
Deferred Inflows of Resources	<u>118,142.00</u>	<u>112,562.00</u>	-4.72%
Total Deferred Inflows	<u>118,142.00</u>	<u>112,562.00</u>	-4.72%
Net position:			
Invested in capital assets, net of debt	2,008,258.00	2,754,942.59	37.18%
Restricted	833,062.06	1,316,214.26	58.00%
Unrestricted	<u>(2,543,894.79)</u>	<u>(4,622,628.39)</u>	<u>81.72%</u>
Total net position	<u>\$297,425.27</u>	<u>\$(551,471.54)</u>	<u>-285.45%</u>

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The (\$4,622,727.39) of unrestricted net position of governmental activities represents the accumulated results of all past years' operations, but is primarily the result of two events: a) the adoption of GASB Statement No. 68, which requires the District to recognize its proportional share of the net pension liability of the Public Employees Retirement System, and b) the settlement of the tuition litigation with the Monroe School District. The total deficit in net position of \$(551,570.54) for the Governmental Activities at June 30, 2016 indicates that, if the District's non-cash assets were sold for book value, an additional \$551,471.54 cash contribution would be required to liquidate all the liabilities of the District at book value.

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4, below, takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

Figure A-4

Activity Results for Years Ended

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	% Increase/ (Decrease)
Revenues:			
Program revenue			
State grants & entitlements	\$6,350,229.49	\$6,518,989.43	2.66%
General Revenue			
Local tax levy	7,748,602.00	8,086,907.00	4.37%
Federal and State aid	130,288.00	184,859.00	41.88%
Miscellaneous revenues (Incl. Special items & Transfers)	(432,917.57)	(1,480,841.97)	242.08%
Total Revenues	<u>\$13,796,201.92</u>	<u>\$13,309,913.46</u>	-3.53%
Functions/Program Expenses:			
Instruction			
Regular programs	2,305,317.51	2,381,256.81	3.29%
Special programs	1,042,056.34	1,309,299.18	25.65%
Other Instructional programs	98,181.26	172,261.74	75.45%
Support Services			
Student services	805,017.68	830,799.09	3.20%
Tuition	4,735,533.73	4,881,951.87	3.09%
Instructional staff support			
General administration and Business services	654,811.54	583,023.53	-10.96%
School administration	318,253.71	303,407.43	-4.66%
Plant services	618,215.80	629,896.63	1.86%
Student transportation services	574,328.94	501,733.91	-12.64%
Unallocated benefits	2,270,983.03	2,306,224.61	1.55%
Unallocated depreciation and Amortization	64,578.67	211,324.92	227.24%
Interest on long-term debt	<u>112,280.44</u>	<u>47,630.55</u>	-57.58%
Total Expenses	<u>\$13,599,558.65</u>	<u>\$14,158,810.27</u>	4.11%
<i>Increase/-decrease in net position</i>	<u>\$196,643.27</u>	<u>\$(848,896.81)</u>	<u>-531.74%</u>

Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year was \$14,158,810.27. These costs were financed by \$8,086,907.00 in local property school taxes, \$6,518,989.43 in federal and state aid and \$198,078.29 in miscellaneous revenues including interest, tuition, general entitlements, special items and transfers.

In Figure A-5, below, we have presented the cost of each of the school district's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5
Governmental Activities
Total Cost of Services

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2016</u>
Regular programs instruction	\$2,305,317.51	\$2,381,256.81
Unallocated benefits	2,270,983.03	2,306,224.61
Student services	805,017.68	830,799.09
Special Program instruction	1,042,056.34	1,309,299.18
Plant services	618,215.80	629,896.63
School Administration	318,253.71	303,407.43
All others	<u>6,239,714.58</u>	<u>6,397,926.52</u>
Total	<u>\$13,599,558.65</u>	<u>\$14,158,810.27</u>

Financial Analysis of the District's Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$777,104.79, which is an increase of \$316,273.57 from last year. Also, as noted previously, the reported governmental fund balance is impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2016 in the combined amount of \$642,871.00.

General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficit.

Actual revenues reflect a positive variance of \$934,717.72. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post retirement medical and social security contributions of \$882,749.43 made by the State of New Jersey.

Actual expenditures reflect a negative variance of \$38,121.79. Excluding the unbudgeted on-behalf payments, a true favorable budgetary variance in the amount of \$844,680.94 would be reported. This is primarily due to a reduction of staff throughout the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the school district reported \$10,085,921.09 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment. This amount represents no change from the prior year.

Figure A-6
Capital Assets at Year-End

<u>Governmental Activities</u>	<u>2015</u>	<u>2016</u>
Buildings and Improvements	\$7,904,787.00	\$8,488,758.94
Furniture, Equipment and Vehicles	<u>1,594,404.00</u>	<u>1,597,162.15</u>
Total	<u>\$9,499,191.00</u>	<u>\$10,085,921.09</u>

A physical inventory was taken as at June 30, 2015.

Long-Term Debt

At the end of this year, the school district had \$2,010,000.00 in bonds outstanding versus \$2,370,000.00 the previous year – a decrease of 16.55%. The long-term debt at of the District consisted of:

Figure A-7
Outstanding Debt, at Year-End

<u>Governmental Activities</u>	<u>2015</u>	<u>2016</u>
General obligation bonds	<u>\$2,370,000.00</u>	<u>\$2,010,000.00</u>
Total	<u>\$2,370,000.00</u>	<u>\$2,010,000.00</u>

The school district's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 8 districts) of the most recent three-year average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding and authorized but not issued general obligation refunding debt of \$2,010,000.00 at June 30, 2016 is significantly below the \$15,404,63.27 statutorily-imposed limit. See the Notes to the Financial Statements and Schedule J-13 for additional information.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Beth Brooks, CPA, Business Administrator/Board Secretary, at 13 Augusta Street, Jamesburg, New Jersey, 08831.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SECTION – A

JAMESBURG SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 773,216.53	\$ 379,994.76	\$ 1,153,211.29
Receivables, net	265,693.34	37,815.36	303,508.70
Inventory	-	4,860.16	4,860.16
Capital assets, net (Note 3):	<u>4,764,942.59</u>	<u>9,244.42</u>	<u>4,774,187.01</u>
Total Assets	<u>5,803,852.46</u>	<u>431,914.70</u>	<u>6,235,767.16</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Change in Pension Assumptions	225,185.00		225,185.00
Difference in Pension Experience	50,024.00		50,024.00
Change in Proportion/Proportionate Share	-		-
Pension Payment Subsequent to Measurement Date	86,266.00		86,266.00
Deferred Amount on Refunding	<u>37,485.33</u>		<u>37,485.33</u>
Total Deferred Outflows of Resources	<u>398,960.33</u>	<u>-</u>	<u>398,960.33</u>
LIABILITIES			
Accounts payable	318,466.00	4,256.95	322,722.95
Accrued interest payable	38,136.94		38,136.94
Interfund Payable	29,384.92		29,384.92
Deferred Revenue	220.16	2,144.20	2,364.36
Noncurrent liabilities (Note 4):			
Due within one year	370,000.00		370,000.00
Due beyond one year	3,788,661.31		3,788,661.31
Net Pension Liability	<u>2,096,853.00</u>		<u>2,096,853.00</u>
Total liabilities	<u>6,641,722.33</u>	<u>6,401.15</u>	<u>6,648,123.48</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Difference in Pension Earnings	33,713.00		33,713.00
Change in Pension Proportion	<u>78,849.00</u>		
Total Deferred Inflows of Resources	<u>112,562.00</u>	<u>-</u>	<u>33,713.00</u>
NET POSITION			
Invested in capital assets, net of related debt	2,754,942.59	9,244.42	2,764,187.01
Restricted for:			
Other purposes	1,316,214.26		1,316,214.26
Unrestricted (Deficit)	<u>(4,622,628.39)</u>	<u>416,269.13</u>	<u>(4,206,359.26)</u>
Total net position	<u>\$ (551,471.54)</u>	<u>\$ 425,513.55</u>	<u>\$ (125,957.99)</u>

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

JAMESBURG SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 2,381,256.81	-	\$ -	(2,381,256.81)	-	\$ (2,381,256.81)
Special Education	1,309,299.18	-	1,118,175.00	(191,124.18)	-	(191,124.18)
Other Special Instruction	151,799.50	-	-	(151,799.50)	-	(151,799.50)
Other Instruction	20,462.24	-	-	(20,462.24)	-	(20,462.24)
Support Services:						
Tuition	4,881,951.87	-	4,174,623.00	(707,328.87)	-	(707,328.87)
Student & Instruction Related Services	830,799.09	-	105,788.00	(725,011.09)	-	(725,011.09)
School Administrative Services	303,407.43	-	-	(303,407.43)	-	(303,407.43)
General and Business Administrative Services	583,023.53	-	-	(583,023.53)	-	(583,023.53)
Plant Operations and Maintenance	629,896.63	-	94,957.00	(534,939.63)	-	(534,939.63)
Pupil Transportation	501,733.91	-	24,821.00	(476,912.91)	-	(476,912.91)
Unallocated Benefits	2,306,224.61	-	882,749.43	(1,423,475.18)	-	(1,423,475.18)
Interest and Other Costs on Long-Term Debt	47,630.55	-	117,876.00	70,245.45	-	70,245.45
Unallocated Depreciation and Amortization	211,324.92	-	-	(211,324.92)	-	(211,324.92)
Total Governmental Activities	14,158,810.27	-	6,518,989.43	(7,639,820.84)	-	(7,639,820.84)
Business-type activities:						
Food Service	308,598.37	98,316.47	226,548.95	-	16,267.05	16,267.05
Child Care	230,393.21	255,906.07	-	-	25,512.86	25,512.86
Total business-type activities	538,991.58	354,222.54	226,548.95	-	41,779.91	41,779.91
Total primary government	\$ 14,697,801.85	\$ 354,222.54	\$ 6,745,538.38	(7,639,820.84)	\$ 41,779.91	\$ (7,598,040.93)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				7,780,511.00		7,780,511.00
Taxes levied for debt service				306,396.00		306,396.00
Federal and State aid restricted				184,859.00		184,859.00
Miscellaneous Income				13,318.03		13,318.03
Total General Revenues				8,285,084.03	-	8,285,084.03
Special item - Settlement of Tuition Litigation				(1,494,160.00)		(1,494,160.00)
Change in Net Position				(848,896.81)	41,779.91	(807,116.90)
Net Position—beginning				297,425.27	383,733.63	681,158.90
Net Position—ending				\$ (551,471.54)	\$ 425,513.54	\$ (125,958.00)

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

FUND FINANCIAL STATEMENTS

SECTION – B

GOVERNMENTAL FUNDS

JAMESBURG SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

Exhibit B-1
Page 1 of 2

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 1,045,924.00	\$ -	\$ (275,814.00)	\$ 3,106.53	\$ 773,216.53
Receivables, Net:					-
Due from Other Funds	87,692.84				87,692.84
Receivables from Other Governments	177,780.34	87,913.00			265,693.34
					-
Total Assets	1,311,397.18	87,913.00	(275,814.00)	3,106.53	1,126,602.71
					-
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	232,200.00				232,200.00
Interfund Payable	29,384.92	87,692.84			117,077.76
Deferred Revenue		220.16			220.16
					-
Total Liabilities	261,584.92	87,913.00	-	-	349,497.92
					-
Fund Balances:					
Restricted For:					
Capital Reserve Account	744,456.92				744,456.92
Capital Reserve - Designated for Subsequent Year's Expenditures	210,000.00				210,000.00
Emergency Reserve	75,040.52				75,040.52
Maintenance Reserve	255,815.00				255,815.00
Committed For:					
Year - End Encumbrances	31,000.82				31,000.82
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures	78,720.00				78,720.00
Debt Service Fund				3,106.53	3,106.53
Unassigned, Reported In:					
Capital Projects Fund			(275,814.00)		(275,814.00)
General Fund	(345,221.00)	-			(345,221.00)
Total Fund Balances	1,049,812.26	-	(275,814.00)	3,106.53	777,104.79
Total Liabilities and Fund Balances	\$ 1,311,397.18	\$ 87,913.00	\$ (275,814.00)	\$ 3,106.53	\$ 1,126,602.71

JAMESBURG SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

Exhibit B-1
Page 2 of 2

Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	\$ 777,104.79
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,085,921.09 and the accumulated depreciation is \$5,320,978.50.	4,764,942.59
Long term liabilities, including bonds payable, compensated absences and settlements are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,073,658.75)
Short-term liabilities, including accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(38,136.94)
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. Carrying amounts are as follows:	
Deferred Outflows of Resources:	
Change in Pension Assumptions	225,185
Difference in Pension Experience	50,024
Pension Payment Subsequent to Measurement Date	86,266
Accounts Payable for Pension Expense	(86,266)
Net Pension Liability	(2,096,853)
Deferred Inflows of Resources:	
Difference in Pension Earnings	(33,713)
Change in Pension Proportion	(78,849.00)
Transactions related to a current refunding of long-term debt, refinancing of lease agreements are not reported in the funds:	
Issuance premium, net of amortization	(85,002.56)
Deferred Amount on refunding, net of amortization	<u>37,485.33</u>
Net position of governmental activities.	<u>\$ (551,471.54)</u>

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

JAMESBURG SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 7,780,511.00	\$	\$	\$ 306,396.00	\$ 8,086,907.00
Local Sources	13,318.29	2,500.00		-	15,818.29
State Sources	6,054,729.43	90,098.00		117,876.00	6,262,703.43
Federal Sources		438,645.00			438,645.00
Total Revenues	13,848,558.72	531,243.00		424,272.00	14,804,073.72
EXPENDITURES:					
Current:					
Regular Instruction	2,381,256.81				2,381,256.81
Special Education Instruction	890,614.18	418,685.00			1,309,299.18
Other Special Instruction	151,799.50				151,799.50
Other Instruction	20,462.24				20,462.24
Support Services and Undistributed Costs:					
Tuition	4,543,802.13				4,543,802.13
Student & Instruction Related Services	725,011.09	105,788.00			830,799.09
School Administrative Services	303,407.43				303,407.43
Other Administrative Services	583,023.53				583,023.53
Plant Operations and Maintenance	629,896.63				629,896.63
Pupil Transportation	501,733.91				501,733.91
Unallocated Benefits	2,194,285.61				2,194,285.61
Debt Service:					
Principal				360,000.00	360,000.00
Interest and Other Charges				87,500.00	87,500.00
Capital Outlay	89,054.09		501,480.00		590,534.09
Total Expenditures	13,014,347.15	524,473.00	501,480.00	447,500.00	14,487,800.15
Excess (Deficiency) of Revenues over Expenditures	834,211.57	6,770.00	(501,480.00)	(23,228.00)	316,273.57
OTHER FINANCING SOURCES (USES):					
Transfer Capital Reserve to Capital Projects	(225,666.00)		225,666.00		-
Total Other Financing Sources and Uses	(225,666.00)	-	225,666.00	-	-
Net Change in Fund Balances	608,545.57	6,770.00	(275,814.00)	(23,228.00)	316,273.57
Fund Balance - July 1	441,266.69	(6,770.00)		26,334.53	460,831.22
Fund Balance - June 30	\$ 1,049,812.26	\$ -	\$ (275,814.00)	\$ 3,106.53	\$ 777,104.79

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

JAMESBURG SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Total net change in fund balances - governmental funds (from B-2)	\$	316,273.57
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>		
	Depreciation expense	(200,045.50)
	Capital outlays	<u>586,730.09</u>
		386,684.59
<p>Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		360,000.00
<p>Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.</p>		
		(40,446.00)
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)</p>		
		(1,678.63)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences and tuition 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 (+).</p>		
	Change in Compensated Absences	(71,493.00)
	Change in Tuition per Settlement	(1,832,310.00)
<p>The difference between the face amount of the Refunded Bonds and the escrow deposit required to legally defease the bonds is recorded as decrease to fund balance in the governmental funds in the year of issuance, but is carried on the statement of net position and amortized over the life of the Bonds</p>		
	Amortization of Deferred Amount from Refunding	(11,279.40)
<p>The premium received on the sale of bonds is recorded in the governmental funds as an addition to fund balance in the year of issuance, but is carried on the statement of net position and amortized in the statement of activities over the life of the bonds</p>		
	Amortization of Bond Premiums	<u>45,352.06</u>
Change in net position of governmental activities	\$	<u>(848,896.81)</u>

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

PROPRIETARY FUNDS

JAMESBURG SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	Childcare Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 88,643.58	\$ 291,351.18	\$ 379,994.76
Accounts Receivable	37,815.36		37,815.36
Inventories	4,860.16		4,860.16
Total Current Assets	<u>131,319.10</u>	<u>291,351.18</u>	<u>422,670.28</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	150,378.33		150,378.33
Less Accumulated Depreciation	<u>(141,133.91)</u>		<u>(141,133.91)</u>
Total Noncurrent Assets	<u>9,244.42</u>	<u>-</u>	<u>9,244.42</u>
Total Assets	<u>140,563.52</u>	<u>291,351.18</u>	<u>431,914.70</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	4,256.95		4,256.95
Deferred Revenue	2,144.20		2,144.20
Total Current Liabilities	<u>6,401.15</u>	<u>-</u>	<u>6,401.15</u>
Total Liabilities	<u>6,401.15</u>	<u>-</u>	<u>6,401.15</u>
NET POSITION:			
Invested in Capital Assets - Net of Related Debt	9,244.42		9,244.42
Unrestricted (Deficit)	124,917.94	291,351.18	416,269.12
Total Net Position	<u>\$ 134,162.36</u>	<u>\$ 291,351.18</u>	<u>\$ 425,513.54</u>

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

JAMESBURG SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities		Total Enterprise Funds
	Food Service	Childcare Prgram	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 94,722.16	\$ -	\$ 94,722.16
Daily Sales - Non-reimbursable Programs	3,594.31		3,594.31
Childcare Fees		255,906.07	255,906.07
Total Operating Revenues	<u>98,316.47</u>	<u>255,906.07</u>	<u>354,222.54</u>
Operating Expenses:			
Salaries	104,653.03	148,658.28	253,311.31
Employee Benefits	38,072.81	11,194.02	49,266.83
Purchased Prof/Tech. Services	5,116.25	25,464.84	30,581.09
Supplies and Materials	11,375.05	45,076.07	56,451.12
Repairs and Maintenance	6,503.96		6,503.96
Magagement Fee	13,770.00		13,770.00
Depreciation	5,146.16		5,146.16
Cost of Sales	123,961.11		123,961.11
Total Operating Expenses	<u>308,598.37</u>	<u>230,393.21</u>	<u>538,991.58</u>
Operating Income (Loss)	<u>(210,281.90)</u>	<u>25,512.86</u>	<u>(184,769.04)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	3,758.96	-	3,758.96
Federal Sources:			
National School Lunch Program	157,871.77	-	157,871.77
National School Breakfast Program	49,068.02		49,068.02
Food Distribution Program	15,850.20	-	15,850.20
Total Nonoperating Revenues (Expenses)	<u>226,548.95</u>	<u>-</u>	<u>226,548.95</u>
Income (Loss) before Transfers	<u>16,267.05</u>	<u>25,512.86</u>	<u>41,779.91</u>
Change in Net Position	16,267.05	25,512.86	41,779.91
Total Net Position - Beginning	<u>117,895.31</u>	<u>265,838.32</u>	<u>383,733.63</u>
Total Net Position - Ending	<u>\$ 134,162.36</u>	<u>\$ 291,351.18</u>	<u>\$ 425,513.54</u>

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

JAMESBURG SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities		Total
	Enterprise Funds		
	Food Service	Childcare Program	Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Receipts from Customers	\$ 99,093.25	\$ 255,906.07	\$ 354,999.32
Cash Payments to Employees	(126,875.64)	(159,852.30)	(286,727.94)
Payments to Suppliers for Goods and Services	<u>(160,263.21)</u>	<u>(70,540.91)</u>	<u>(230,804.12)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(188,045.60)</u>	<u>25,512.86</u>	<u>(162,532.74)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	<u>189,334.84</u>	<u> </u>	<u>189,334.84</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>189,334.84</u>	<u>-</u>	<u>189,334.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,289.24	25,512.86	26,802.10
Cash and Cash Equivalents at Beginning of Year	<u>87,354.34</u>	<u>265,838.32</u>	<u>353,192.66</u>
Cash and Cash Equivalents at End of Year	<u>\$ 88,643.58</u>	<u>\$ 291,351.18</u>	<u>\$ 379,994.76</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (210,281.90)	\$ 25,512.86	\$ (184,769.04)
Adjustments to Reconcile Operating Income (Loss) to Net			
Cash Provided by (Used for) Operating Activities			
Depreciation	5,146.16		5,146.16
Food Distribution Program	15,850.20		15,850.20
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	315.28		315.28
(Increase) Decrease in Inventories	2,410.89		2,410.89
Increase (decrease) in Deferred Revenue	433.30		433.30
Increase (Decrease) in Accounts Payable	<u>(1,919.53)</u>		<u>(1,919.53)</u>
Total Adjustments	<u>22,236.30</u>	<u>-</u>	<u>22,236.30</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (188,045.60)</u>	<u>\$ 25,512.86</u>	<u>\$ (162,532.74)</u>

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

FIDUCIARY FUNDS

JAMESBURG SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY NET POSITION
JUNE 30, 2016

	Unemployment Compensation <u>Trust</u>	Non-Expendable Scholarship <u>Trust</u>	Agency <u>Fund</u>
ASSETS:			
Cash and cash equivalents	\$ 101,027.84	\$ 5,368.18	\$ 126,923.91
Interfund Accounts Receivable	<u>29,384.84</u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 130,412.68</u>	<u>\$ 5,368.18</u>	<u>\$ 126,923.91</u>
LIABILITIES:			
Payable to Student Groups	\$	\$	\$ 12,500.44
Accounts Payable	2,258.04		
Payroll Deductions and Withholdings	<u> </u>	<u> </u>	<u>114,423.47</u>
Total Liabilities	<u>2,258.04</u>	<u> </u>	<u>\$ 126,923.91</u>
NET POSITION:			
Held in trust for unemployment claims and other purposes	128,154.64		
Reserved for Scholarships	<u> </u>	<u>5,368.18</u>	
Total Net Position	<u>\$ 128,154.64</u>	<u>\$ 5,368.18</u>	

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

JAMESBURG SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship</u>
ADDITIONS		
Contributions:		
Employees	\$ 7,100.34	\$ -
Board Contribution	<u>40,000.00</u>	<u>-</u>
Total Contributions	<u>47,100.34</u>	<u>-</u>
Interest		<u>5.07</u>
Net investment earnings	<u>-</u>	<u>5.07</u>
Total additions	<u>47,100.34</u>	<u>5.07</u>
DEDUCTIONS		
Unemployment claims	26,784.77	300.00
Scholarships awarded	<u>-</u>	<u>-</u>
Total deductions	<u>26,784.77</u>	<u>300.00</u>
Change in net position	20,315.57	(294.93)
Net position—beginning of the year	<u>107,839.07</u>	<u>5,663.11</u>
Net position—end of the year	<u>\$ 128,154.64</u>	<u>\$ 5,368.18</u>

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

JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Jamesburg School District (District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

B. Reporting Entity:

The Jamesburg School District is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Jamesburg School District had an enrollment at June 30, 2016 of 676 students.

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

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

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation – Fund Financial Statements:

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reports as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Permanent Fund – The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation – Fund Financial Statements (Cont'd)

The District reports the following major enterprise funds:

Food Service Fund – the Food Service Fund is used to account for the activities of the cafeteria operations of the District.

Child Care Fund – The Child Care Fund is used to account for the activities of the Latch Key Program of the District.

The District also reports the following fiduciary fund types:

Agency Fund – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds,

Employee Benefit Trust (Unemployment Insurance) – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers' in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'):

E. Measurement Focus and Basis of Accounting:

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital assets acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources."

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when the District receives cash.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'):

F. Budgets/Budgetary Control:

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect. Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control (Cont'd):

The following 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$13,847,327.72	\$524,473.00
Difference- budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is Is recognized.		
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	(642,871.00)	
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	<u>644,102.00</u>	<u>6,770.00</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance – governmental funds.	<u>13,848,558.72</u>	<u>531,243.00</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" From the budgetary comparison schedule	13,144,081.52	524,473.00
Differences – budget to GAAP:		
Deferred Health Benefits Adjustment-net (See Note 16)	(129,734.36)	
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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>13,014,347.16</u>	<u>524,473.00</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Cash, Cash Equivalents and Investments:

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the Governmental Units.

H. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000.00 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the District-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

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

Food Service Fund:	
Equipment	10 Years

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences in the amount expected to be paid using expendable available resources. The non-current portion of the liability is not reported.

M. 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 New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting five items in this category; The Deferred Amount on Refunding, and Pension related items including the Change in Pension Assumptions, Change in Pension Proportion, Difference in Pension Experience and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions represents future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred Outflows for Changes in Pension Proportion represents the adverse impact and future outflows of resources resulting from an increase in the District's proportionate share of the system-wide net pension liability. Deferred Outflows for Differences in Pension Experience represents the adverse impact and future outflows of resources resulting from actual pension experience exceeding actuarial estimates. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2015.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting two pension related items in this category, the Difference in Pension Earnings and the Change in Pension Proportion. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

O. Unearned Revenue/Advances from Grantors:

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

P. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position – restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

Q. Fund Balance Flow Assumption (Governmental Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

R. Fund Balance Policies:

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not meet the criteria to be classified as committed. The Board of Education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent years budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

S. District-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

T. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sale of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Reconciliation of District-Wide and Fund Financial Statements

I. Differences between governmental fund balance sheet and District-wide statement of net position:

Total Governmental Fund Balance (B-1)	\$777,104.79
Adjustments to District-Wide Net Position:	
Capital Assets (see Note 3)	4,764,942.59
Long-Term Liabilities (see Note 4)	(4,073,658.75)
Net Pension Liability	(2,096,853.00)
Other Items not recognized in Fund Financial Statements:	
Deferred Inflows of Financial Resources	(112,562.00)
Deferred Outflows of Financial Resources	275,209.00
Accrued Interest on Long-term Debt	(38,136.94)
Issuance Premium, net of amortization	(85,002.56)
Deferred Amount on refunding, net of amortization	<u>37,485.33</u>
Net Position of Governmental Activities	<u>\$(551,471.54)</u>

II. Differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities:

Total Net Change Governmental Fund Balance (B-2)	\$316,273.57
Adjustments to District-Wide Net Position:	
Capital Assets (see Note 3)	386,684.59
Repayment of Long-Term Liabilities (see Note 4)	360,000.00
Other Adjustments to Fund Financial Statements:	
Compensated Absences	(71,493.00)
Interest on Long-term Debt (Accrual Basis for District-Wide)	(1,678.63)
Net increase in Pension Expense	(40,446.00)
Amortization Expenses – net	45,352.06
Refunding Bond Issue	(11,279.40)
Changes in tuition per settlement	<u>(1,832,310.00)</u>
Change in Net Position of Governmental Activities	<u>\$(848,896.81)</u>

V. Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Jamesburg Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

Depository Account	Bank Balance
Insured - FDIC	\$250,000.00
Insured – NJGUDPA (N.J.S.A.17: 9-41)	<u>1,800,449.78</u>
Total Deposits	<u>\$2,050,449.78</u>

Custodial Credit Risk – Deposits- Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$0.00 of the Board’s bank balance of \$2,050,449.78 was exposed to custodial risk. (See Note 1-F. relating to statutory mitigation of custodial risk in the event of a bank failure).

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2016, the District had \$0.00 on deposit with the New Jersey Cash Management Fund.

NOTE 3. FIXED ASSETS

JAMESBURG SCHOOL DISTRICT
CAPITAL ASSETS NOTE DISCLOSURE
DISCLOSURE OF INFORMATION ABOUT CAPITAL ASSETS (UNAUDITED)

The governmental fund balance sheet includes a reconciliation between fund balance - total government funds and net position - governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance - total governmental funds is made to reflect the carrying value of the District's capital assets at year-end in the District-wide financial statements, which consist of:

Total capital assets at cost	\$ 10,085,921.09
Less: accumulated depreciation	<u>(5,320,978.50)</u>
Government Activities Capital Assets, Net	<u>\$ 4,764,942.59</u>

Capital assets by classification and activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Building and Building Improvements	\$ 7,904,787.00	\$ 583,971.94	\$	\$ 8,488,758.94
Machinery, Equipment, Furniture & Vehicles	<u>1,594,404.00</u>	<u>2,758.15</u>	<u> </u>	<u>1,597,162.15</u>
Totals at Historical Cost	<u>9,499,191.00</u>	<u>586,730.09</u>	<u> </u>	<u>10,085,921.09</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(3,847,850.00)	(158,962.13)		(4,006,812.13)
Equipment, Furniture, and Vehicles	<u>(1,273,083.00)</u>	<u>(41,083.37)</u>	<u> </u>	<u>(1,314,166.37)</u>
Total Accumulated Depreciation	<u>(5,120,933.00)</u>	<u>(200,045.50)</u>	<u> </u>	<u>(5,320,978.50)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>4,378,258.00</u>	<u>386,684.59</u>	<u> </u>	<u>4,764,942.59</u>
Government Activities Capital Assets, Net	<u>\$ 4,378,258.00</u>	<u>\$ 386,684.59</u>	<u>\$ </u>	<u>\$ 4,764,942.59</u>
Business-type Activities				
Equipment	150,378.33			150,378.33
Less Accumulated Depreciation for:				-
Equipment	<u>(135,987.75)</u>	<u>(5,146.16)</u>	<u> </u>	<u>(141,133.91)</u>
Business-type Activities Capital Assets, Net	<u>\$ 14,390.58</u>	<u>\$ (5,146.16)</u>	<u>\$ </u>	<u>\$ 9,244.42</u>

Depreciation Expense was charged to governemntal functio

Unallocated	\$ <u>200,045.50</u>
	<u>\$ 200,045.50</u>

NOTE 4: LONG-TERM LIABILITIES

JAMESBURG SCHOOL DISTRICT
LONG TERM DEBT DISCLOSURE
DISCLOSURE OF INFORMATION ABOUT LONG TERM LIABILITIES (UNAUDITED)

Long-term debt liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 2,370,000.00	\$ _____	\$ 360,000.00	\$ 2,010,000.00	\$ 370,000.00
Total Bonds Payable	<u>2,370,000.00</u>	<u>_____</u>	<u>360,000.00</u>	<u>2,010,000.00</u>	<u>370,000.00</u>
Other Liabilities:					
Tuition Settlement		1,832,310.00		1,832,310.00	
Compensated Absences Payable	<u>159,855.75</u>	<u>103,193.00</u>	<u>31,700.00</u>	<u>231,348.75</u>	<u>_____</u>
Total Other Liabilities	<u>159,855.75</u>	<u>1,935,503.00</u>	<u>31,700.00</u>	<u>2,063,658.75</u>	<u>_____</u>
Subtotal Bonds and Other Liabilities	2,529,855.75	1,935,503.00	391,700.00	4,073,658.75	370,000.00
Bond Premium/(Discount)	130,354.62		45,352.06	85,002.56	
Net Pension Liability (PERS)	<u>1,833,266.00</u>	<u>263,587.00</u>	<u>_____</u>	<u>2,096,853.00</u>	<u>_____</u>
Total Liabilities	<u>\$ 4,493,476.37</u>	<u>\$ 2,199,090.00</u>	<u>\$ 437,052.06</u>	<u>\$ 6,255,514.31</u>	<u>\$ 370,000.00</u>

NOTE 4. GENERAL LONG-TERM DEBT (CONT'D):

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

Principal and interest due on bonds outstanding as at June 30, 2016 is as follows:

Year ending June 30,	Principal	Interest	Total
2017	370,000.00	76,700.00	446,700.00
2018	385,000.00	65,600.00	450,600.00
2019	400,000.00	50,200.00	450,200.00
2020	420,000.00	34,200.00	454,200.00
2021	435,000.00	17,400.00	452,400.00
	<u>\$ 2,010,000.00</u>	<u>\$ 244,100.00</u>	<u>\$2,254,100.00</u>

B. Bonds Authorized But Not Issued -- As of June 30, 2016, the District had no bonds authorized but not issued.

C. Advance Refunding of 2004 School Bonds – The Board of Education, via resolution, authorized the sale of refunding bonds (the “Refunding Bonds”) in order to advance refund all or a portion of the outstanding Refunding School Bonds dated September 1, 2014 and maturing on February 1 in the years 2015-2021, inclusive (the “Refunded Bonds”), which Refunded Bonds are part of a series of bonds date originally issued in the aggregate principal of \$4,875,000.00. The total of the Refunding Bonds issued, dated July 1, 2014, amounted to \$2,760,000.00 to affect the refunding of the Refunded Bonds in the amount of \$2,840,000.00.

The purpose of the refunding bonds is to refund all or a portion of the outstanding callable principal amount of the originally issued \$4,875,000.00 Refunding School Bonds dated September 1, 2004 (the “Refunded Bonds”) and maturing on or after February 1, 2015 which may be redeemed at the option of the School District in whole or in part on any date on or after August 1, 2014 (the “Redemption Date”) at a redemption price equal to the par amount of the Refunded Bonds to be redeemed plus accrued interest, if any, to the Redemption Date, and pay the cost of issuance with respect to the Bonds.

The Refunding Bonds bear interest from their date of delivery, which interest shall be payable semi-annually, on the fifteenth day of July and January, commencing January 1, 2015, in each of the years and at the interest rates of between 2.00% and 4.00%, while yields, which reflect premiums or discounts, ranged from .40% to 2.25%. Net present value savings amounted to \$169,075.25 or 5.953354% of the Refunded Bonds. The Net Interest Cost (NIC) on the Refunding Bonds was 1.957064%. The proceeds of the sale of \$2,964,620.45 includes a premium of \$204,620.45 and deductions of \$67,680.45 for underwriting fees and other costs associated with the issuance of the Refunding Bonds, for a net proceed amount of \$2,896,940.00 which was deposited to an irrevocable trust with an escrow agent. The Refunded Bonds are considered to be defeased and have been removed from the District-wide statement of net position.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$56,940.00. This difference, reported in the accompanying District-wide financial statements as a deferred “outflow”, is being amortized over the life of the Refunding Bonds issued. Annual charges to amortize the deferred outflow resulting from the refunding transaction are calculated on a “straight-line” basis.

NOTE 5. PENSION PLANS

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
Total	<u>426,501</u>

Contributing Employers – 1,710.

Significant Legislation - Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

Payrolls and Covered Wages - For the year ended June 30, 2016 the Board's total payroll for all employees was \$4,559,356.63. Total PERS covered payroll was \$403,132.00. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

The School Board's contributions to the Plan for the years ended June 30, 2015 and 2016 were \$80,721 and \$80,307, respectively. School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contributions requirements were calculated.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.06% for State fiscal year 2016, commencing July 1, 2015. 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 amount which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 with 25 or more years of service credit and tier 5 members 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 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the School Board reported a liability of \$2,096,853 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 that date. The Board's proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the Boards proportion was 0.009340936%, which was an decrease of 0.00045072% from its proportion measure as of June 30, 2014.

For the year ended June 30, 2016, the Board recognized pension expenses of \$120,753. At June 30, 2016 the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Changes in assumptions	\$225,185	\$
Net Difference in Pension Experience	50,024	
Net Difference between projected and actual earnings on Plan investments		33,713
Changes in proportion and differences between Board contributions and proportionate share of contributions		78,849
Board contributions subsequent to the measurement date	<u>86,266</u>	<u>0</u>
Total	\$361,475	\$112,562

The \$86,266 of deferred outflows of resources resulting from the Boards contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$(26,876.84)
2018	(26,876.84)
2019	(26,876.84)
2020	(54,190.09)
2021	(27,826.39)

Actuarial Assumptions- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

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.

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experiences will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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 real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 4.90% as of June 30, 2015. This single blended discount rate was 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 rate assumed that contributions from plan members will be made based on the average of the last five years of contributions made in relation to the last five years of 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate – the following presents the net pension liability of PERS participating employers as of June 30, 2015, calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

NOTE 5. PENSION PLANS (CONT'D)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Cont'd)

	<u>At 1% Decrease</u> (3.90%)	<u>At current discount rate</u> (4.90%)	<u>At 1% increase</u> (5.90%)
State	\$27,802,122,942	\$23,722,135,537	\$20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
PERS Plan Total	<u>\$55,702,235,457</u>	<u>\$46,170,131,656</u>	<u>\$38,191,749,890</u>

Components of Net Pension Liability – The components of the net pension liability for PERS, including the State of New Jersey, at June 30, 2015 is as follows:

	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$31,614,118,524	\$43,109,580,038	\$74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$23,722,135,537</u>	<u>\$22,447,996,119</u>	<u>\$46,170,161,656</u>

B. 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 as defined in GASB Statement No. 68, by which the State of New Jersey (State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the TPAF Plan are as follows:

Plan Membership and Contributing Employers- Substantially all teachers or members of the professional staff of Local Education Agencies that are certified by the State Board of Examiners, and Employees of the Department of Education who have titles that are unclassified, professional and certified are enrolled in the TPAF. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2015:

Inactive plan members or beneficiaries currently receiving benefits	98,230
Inactive plan members entitled to but not yet receiving benefits	210
Active plan members	<u>153,452</u>
Total	<u>251,892</u>

Contributing Employers – 26.

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF’s contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability.

Significant Legislation – Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

For the year ended June 30, 2016 the Board’s total payroll for all employees was \$4,559,356.63. Total TPAF covered payroll was \$3,601,005.00. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

NOTE 5. PENSION PLANS (CONT'D)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Specific Contribution Requirements and benefit provisions – 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 contributions 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 of New Jersey contribution amount is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF.

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65.

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Local Pension Obligation</u>
6/30/16	\$ 281,707.00	100 %	\$0
6/30/15	188,986.00	100	0
6/30/14	269,203.00	100	0

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

At June 30, 2015, the TPAF reported a net pension liability of \$63,204,270,305 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey’s net pension liability for the Non-State Employer Member Group that is attributable to the District was \$22,093,810, or 0.0349561%. The June 30, 2015 allocation of net pension liability represents an increase of \$1,350,685 from the District’s proportionate share at June 30, 2014. State non-employer contributions allocated to the District were \$239,451 and \$187,864 for 2014 and 2015.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The State of New Jersey is solely responsible for funding the normal pension obligations of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF pension liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Actuarial Assumptions- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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 real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2015 are summarized in the following table:

NOTE 5. PENSION PLANS (CONT'D)

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equities Market	27.25%	5.63%
Foreign-Developed Equities	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate – The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was 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 rate 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 of employers' 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Plan Fiduciary Net Position – The plan fiduciary net position for TPAF at June 30, 2014 was \$27,282,252,461.

Sensitivity of Net Pension Liability to Changes in the Discount Rate – the following presents the net pension liability of TPAF as of June 30, 2015 calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease (3.13%)</u>	<u>At current discount rate (4.13%)</u>	<u>At 1% Increase (5.13%)</u>
TPAF	\$75,559,915,440	\$63,577,864,440	\$53,254,610,440

Components of Net Pension Liability – The components of the net pension liability for TPAF, including the State of New Jersey, at June 30, 2015 is as follows:

Total pension liability	\$ 89,182,662,000
Plan fiduciary net position	<u>25,604,797,560</u>
Net pension liability	<u>\$ 63,577,864,440</u>
Plan fiduciary net position as a percentage of the total pension liability:	28.71%

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D):

C: DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 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 tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2015, the membership in the DCRP, based on the information within the Division's database, was 36,808.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

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 non forfeitable 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.

For the year ended June 30, 2016 the Board's total payroll for all employees was \$4,559,356.63. Total DCRP covered payroll was \$0.00. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan, and may include amounts not eligible under the plan. Board and employee contributions to the DCRP for the year ended June 30, 2016 were \$0.00 The Board did not have any employees enrolled in the DCRP at any time during the fiscal year ended June 30, 2016.

NOTE 6. POST-RETIREMENT BENEFITS

The State of New Jersey sponsors and administers the post-employment health benefits program for school districts. P.L. 1987, c. 384 and P.L. 1990, c.6 require the TPAF and PERS, respectively, to fund the costs of post-retirement medical benefits for those state employees who retire after accumulating 25 years of credit service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-employment medical benefits through the TPAF and PERS, and instead, created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state and educational employees. The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage.

The School Employees Health Benefits Program (SEHBP) Act is codified in the New Jersey Statutes Annotated as Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The Division of Pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the SEHBP. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

NOTE 6. POST-RETIREMENT BENEFITS (cont'd):

At June 30, 2015, there were approximately 107,314 retirees receiving State paid post retirement health 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 benefits was changed from a pre-funding basis to a pay-as-you-go basis in Fiscal Year 1994.

The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service at no cost to the member. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The Division of Pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625.

The State contributions to the Health Benefits Program Fund of the District for TPAF retiree health benefits, for the last three years, is as follows:

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

<u>Year Funding</u>	<u>Annual Post Retirement Medical Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/16	\$ 335,435.00	100 %	\$ 0
6/30/15	300,016.00	100	0
6/30/14	269,203.00	100	0

The amounts of State contributions to the Health Benefits Program fund on-behalf of the District for PERS retiree health benefits has not been made available.

NOTE 7. COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the District Enterprise funds.

NOTE 8. RISK MANAGEMENT

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

Property and Liability Insurance

The District is a member of the New Jersey School Boards Association Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected. As a member of the Group, The charter School could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Selected, summarized financial information for the Group as of June 30, 2016 is as follows:

<u>New Jersey School Boards Association Insurance Group</u>	
Total Assets	\$311,014,416
Net Assets	68,224,364
Total Revenue	124,023,823
Total Expenses	113,965,181
Change in Net Assets	10,907,038

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of employee contributions and interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>Contributions/Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 47,100.34	\$ 26,784.77	\$ 128,154.64
2014-2015	11,702.95	21,852.15	107,839.07
2013-2014	7,809.64	345.47	117,988.27

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 87,692.84	\$ 29,384.92
Fiduciary Funds	29,384.92	
Special Revenue Fund		87,692.84
Total	<u>\$ 117,077.76</u>	<u>\$ 117,077.76</u>
Food	\$ 3,625.50	
Supplies	<u>1,234.66</u>	
	<u>\$ 4,860.16</u>	

NOTE 10. INVENTORY

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

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

NOTE 11. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the \$1,049,812.26 General Fund balance at June 30, 2016, \$954,456.92 has been reserved in the Capital Reserve Account, including \$210,000.00 which has been designated for Subsequent Year's expenditure; \$75,040.52 has been reserved for Emergency Reserve; \$255,815.00 has been reserved for Maintenance Reserve; \$78,720.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$31,000.82 represents the year-end reserve for encumbrances which will roll forward to the subsequent year's appropriations, and a deficit amount of \$(345,221.00) is unassigned. The deficit in unassigned fund balance is less than the amount of budgetary basis revenue realized pursuant to P.L. 2003, c.97.

Debt Service Fund (B-1) – The \$3,106.53 Debt Service Fund balance at June 30, 2016 is assigned and designated for Subsequent Year's expenditure

NOTE 12. DEFICIT FUND BALANCES

The District did not report a deficit fund balance at June 30, 2016 in its General Fund in the fund statements (modified accrual basis). The District did report a negative unassigned fund balance of \$(345,221.00). P.L. 2003 c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, ie., if one government recognizes an asset, the other government recognizes a liability. Since the District is not recording the last two state aid payments, and the Extraordinary Aid payment, on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon nonrecognition of revenue on the GAAP basis for the final state aid payment.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 13. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A: 7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016, calculated on a budgetary basis pursuant to statute, is \$0.00.

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Jamesburg Board of Education by inclusion of \$100.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A 19:60 – 2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP. The Activity of the Capital Reserve Account for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$550,857.60
Increased by:	
Board Resolution	629,009.76
Interest	<u>255.56</u>
Subtotal	1,180,122.92
Decreased by:	
Transfer to Capital Projects Fund	(225,666.00)
Ending Balance June 30, 2016	<u>\$924,456.92</u>

NOTE 15. OTHER RESERVES

The District established a Maintenance Reserve Account.

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

Beginning balance, July 1, 2015	\$180,815.00
Increased by:	
Board Resolution	<u>75,000.00</u>
Ending Balance June 30, 2016	<u>\$255,815.00</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. OTHER RESERVES (Cont'd.)

The District also maintains an established an Emergency Reserve Account.

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

Beginning balance, July 1, 2015	\$75,054.93
Decreased by:	
Interest Adjustment	(14.41)
Ending Balance June 30, 2016	<u>\$75,040.52</u>

NOTE 16. PENDING LITIGATION AND CONTINGENT LIABILITIES

As at the date of this report, there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.

NOTE 17. SUBSEQUENT EVENTS

As at the date of the audit report, no events have occurred that would have a material effect on the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

BUDGETARY COMPARISON SCHEDULES

SECTION – C

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,780,511.00	\$	7,780,511.00	\$ 7,780,511.00	\$ -
Miscellaneous	9,000.00		9,000.00	13,318.29	4,318.29
Total - Local Sources	7,789,511.00	-	7,789,511.00	7,793,829.29	4,318.29
State Sources:					
Categorical Transportation Aid	17,983.00		17,983.00	17,983.00	-
Extraordinary Aid	95,000.00		95,000.00	135,777.00	40,777.00
Categorical Special Education Aid	546,529.00		546,529.00	546,529.00	-
Equalization Aid	4,182,690.00		4,182,690.00	4,182,690.00	-
Security Aid	95,682.00		95,682.00	95,682.00	-
Under Adequacy Aid	166,255.00		166,255.00	166,255.00	-
PARCC Readiness Aid	9,480.00		9,480.00	9,480.00	-
Per Pupil Growth Aid	9,480.00		9,480.00	9,480.00	-
Other State Aid					
Nonpublic Transportation Aid				6,873.00	6,873.00
On-behalf TPAF Pension					
Contributions (non-budgeted)				281,707.00	281,707.00
On-behalf Post Retirement Medical					
Contributions (non-budgeted)				335,435.00	335,435.00
Reimbursed TPAF Social Security					
Contributions (non-budgeted)				265,607.43	265,607.43
Total - State Sources	5,123,099.00	-	5,123,099.00	6,053,498.43	930,399.43
Total Revenues	12,912,610.00	-	12,912,610.00	13,847,327.72	934,717.72
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	302,338.00	(9,000.00)	293,338.00	290,915.50	2,422.50
Grades 1 - 5	1,115,200.00	(10,000.00)	1,105,200.00	1,079,344.46	25,855.54
Grades 6 - 8	639,741.00	18,000.00	657,741.00	657,029.33	711.67
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000.00	11,000.00	15,000.00	14,953.50	46.50
Purchased Services	3,000.00	5,000.00	8,000.00	7,875.00	125.00

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (cont'd):					
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	\$ 81,552.00	\$ 13,892.66	\$ 95,444.66	\$ 75,273.32	\$ 20,171.34
Other Purchased Services	67,685.00	20,607.34	88,292.34	87,604.64	687.70
General Supplies	149,474.00	21,651.17	171,125.17	165,472.62	5,652.55
Textbooks	9,000.00	28,000.00	37,000.00	2,788.44	34,211.56
Total Regular Programs - Instruction	2,371,990.00	99,151.17	2,471,141.17	2,381,256.81	89,884.36
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	69,157.00	49,000.00	118,157.00	117,803.00	354.00
Other Purchased Services	273,629.00	10,530.00	284,159.00	236,161.32	47,997.68
General Supplies	1,000.00	20,000.00	21,000.00	11,305.47	9,694.53
Textbooks	200.00	-	200.00		200.00
Total Learning and/or Language Disabilities	343,986.00	79,530.00	423,516.00	365,269.79	58,246.21
Resource Room/Resource Center:					
Salaries of Teachers	439,487.00	12,800.00	452,287.00	408,694.00	43,593.00
General Supplies	2,800.00	-	2,800.00	2,457.94	342.06
Textbooks	660.00	-	660.00		660.00
Total Resource Room/Resource Center	442,947.00	12,800.00	455,747.00	411,151.94	44,595.06
Preschool Disabilities:					
Salaries of Teachers	52,718.00	1,000.00	53,718.00	53,368.00	350.00
Purchased Professional - Educational Services	45,250.00	(30,075.00)	15,175.00		15,175.00
Other Purchased Services	34,462.00	31,590.00	66,052.00	57,337.45	8,714.55
General Supplies	3,000.00	700.00	3,700.00	3,487.00	213.00
Total Preschool Disabilities	135,430.00	3,215.00	138,645.00	114,192.45	24,452.55
Total Special Education	922,363.00	95,545.00	1,017,908.00	890,614.18	127,293.82

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
Basic Skills/Remedial:					
Salaries of Teachers	\$ 45,825.00	\$ (17,000.00)	\$ 28,825.00	\$ 24,273.00	\$ 4,552.00
General Supplies	1,600.00	-	1,600.00		1,600.00
Total Basic Skills/Remedial	47,425.00	(17,000.00)	30,425.00	24,273.00	6,152.00
Bilingual Education:					
Salaries of Teachers	132,079.00	-	132,079.00	127,509.70	4,569.30
General Supplies	800.00	-	800.00	16.80	783.20
Textbooks	200.00	-	200.00		200.00
Total Bilingual Education	133,079.00	-	133,079.00	127,526.50	5,552.50
School - Sponsored Cocurricular Activities:					
Salaries	5,040.00	-	5,040.00	3,929.38	1,110.62
Supplies and Materials		2,300.00	2,300.00	628.05	1,671.95
Total School - Sponsored Cocurricular Activities	5,040.00	2,300.00	7,340.00	4,557.43	2,782.57
School- Sponsored Athletics Instructions					
Salaries	13,600.00	-	13,600.00	11,200.00	2,400.00
Purchases Services	4,000.00	-	4,000.00	3,520.79	479.21
Supplies and Materials	1,500.00		1,500.00	1,184.02	315.98
Total School- Sponsored Athletics Instructions	19,100.00	-	19,100.00	15,904.81	3,195.19
Total Instruction	3,498,997.00	179,996.17	3,678,993.17	3,444,132.73	234,860.44
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Regular	3,909,860.00	(30,600.00)	3,879,260.00	3,877,619.20	1,640.80
Tuition to Other LEAS Within the State - Special	464,350.00	(216,994.00)	247,356.00	162,428.00	84,928.00
Tuition to Private Schools for the Disabled within State	598,101.00	(176,120.00)	421,981.00	400,857.93	21,123.07
Tuition - State Facilities	32,306.00	-	32,306.00	17,699.00	14,607.00
Tuition - Other		85,237.00	85,237.00	85,198.00	39.00
Total Undistributed Expend. - Instruction	5,004,617.00	(338,477.00)	4,666,140.00	4,543,802.13	122,337.87

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
Attendance and Social Work Services:					
Salaries	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 575.00	\$ 3,425.00
Total Attendance and Social Work Services	4,000.00	-	4,000.00	575.00	3,425.00
Health Services:					
Salaries	139,214.00	(1,000.00)	138,214.00	116,981.67	21,232.33
Purchased Professional and Technical Services	10,000.00	-	10,000.00	10,000.00	-
Other Purchased Services	2,700.00	1,300.00	4,000.00	3,892.84	107.16
Supplies and Materials	4,445.00	(550.00)	3,895.00	2,145.99	1,749.01
Miscellaneous	500.00	-	500.00	170.00	330.00
Total Health Services	156,859.00	(250.00)	156,609.00	133,190.50	23,418.50
Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	125,200.00	11,675.00	136,875.00	135,954.38	920.62
Supplies and Materials	-	4,400.00	4,400.00	2,774.91	1,625.09
Total Speech, OT, PT and Related Services	125,200.00	16,075.00	141,275.00	138,729.29	2,545.71
Other Supp. Serv. - Students - Extra. Serv.:					
Purchased Professional - Educational Services	124,100.00	(250.00)	123,850.00	116,882.77	6,967.23
Total Other Supp. Serv. - Students - Extra. Serv.	124,100.00	(250.00)	123,850.00	116,882.77	6,967.23
Guidance:					
Salaries of Other Professional Staff	49,218.00	28,000.00	77,218.00	77,038.00	180.00
Other Purchased Prof. and Tech. Services	23,900.00	(5,500.00)	18,400.00	10,472.77	7,927.23
Other Purchased Services	1,100.00	5,450.00	6,550.00	4,661.80	1,888.20
Supplies and Materials	350.00	110.00	460.00	446.52	13.48
Other Objects	100.00	(60.00)	40.00		40.00
Total Guidance	74,668.00	28,000.00	102,668.00	92,619.09	10,048.91

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
Child Study Teams:					
Salaries of Other Professional Staff	173,561.00	1,000.00	174,561.00	169,338.20	5,222.80
Salaries of Secretarial and Clerical Assistants	39,412.00	100.00	39,512.00	38,508.08	1,003.92
Other Salaries	31,300.00	-	31,300.00	18,670.55	12,629.45
Purchased Profess. Educational Services	3,600.00	-	3,600.00	925.00	2,675.00
Misc. Purchased Services	8,500.00	-	8,500.00	4,500.00	4,000.00
Supplies and Materials	2,480.00	-	2,480.00	1,684.07	795.93
Miscellaneous	1,200.00	-	1,200.00		1,200.00
Total Child Study Teams	260,053.00	1,100.00	261,153.00	233,625.90	27,527.10
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	630.00	-	630.00		630.00
Total Improvement of Instructional Services	630.00	-	630.00		630.00
Instructional Staff Training Services:					
Purchased Professional - Educational Services	\$ 9,550.00	\$ -	\$ 9,550.00	\$ 9,314.92	\$ 235.08
Other Purchased Services	1,000.00	-	1,000.00	73.63	926.37
Total Instructional Staff Training Services	10,550.00	-	10,550.00	9,388.55	1,161.45
Support Services - General Administration:					
Salaries	175,435.00	-	175,435.00	168,012.01	7,422.99
Legal Services	45,500.00	10,000.00	55,500.00	50,766.63	4,733.37
Audit Fees	19,720.00	12,535.47	32,255.47	21,513.82	10,741.65
Purchased Technical Services	5,000.00	(1,050.00)	3,950.00	3,285.00	665.00
Communications/Telephone	8,850.00	-	8,850.00	8,850.00	-
BOE Other Purchased Services	4,200.00	(500.00)	3,700.00	1,221.75	2,478.25
Miscellaneous Purchased Services	23,220.00	8,385.00	31,605.00	26,487.91	5,117.09
General Supplies	1,500.00	(410.00)	1,090.00	157.53	932.47
Misc. Expenditures	9,861.00	410.00	10,271.00	10,264.90	6.10
Total Support Services - General Administration	293,286.00	29,370.47	322,656.47	290,559.55	32,096.92

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	191,500.00	300.00	191,800.00	191,500.00	300.00
Salaries of Other Professional and Clerical Assistants	24,225.00	-	24,225.00	24,224.89	0.11
Other Purchased Services	72,913.00	-	72,913.00	72,119.84	793.16
Supplies and Materials	16,320.00	5,000.00	21,320.00	5,241.01	16,078.99
Other Objects	8,250.00	8,000.00	16,250.00	6,481.83	9,768.17
	4,705.00	-	4,705.00	3,839.86	865.14
Total Support Services - School Administration	317,913.00	13,300.00	331,213.00	303,407.43	27,805.57
Central Services:					
Salaries	165,626.00	300.00	165,926.00	165,913.96	12.04
Purchased Professional Services	31,500.00	400.00	31,900.00	21,763.15	10,136.85
Miscellaneous Purchased Services	14,120.00	2,882.00	17,002.00	16,968.49	33.51
Supplies and Materials	4,500.00	(1,500.00)	3,000.00	2,731.51	268.49
Miscellaneous Expenditures	1,750.00	-	1,750.00	1,234.39	515.61
Total Central Services	217,496.00	2,082.00	219,578.00	208,611.50	10,966.50
Administrative Information Technology:					
Salaries	75,000.00	(75,000.00)			-
Purchased Technical Services	8,000.00	95,000.00	103,000.00	82,998.48	20,001.52
Other Purchased Services	47,000.00	(46,000.00)	1,000.00	854.00	146.00
Total Administrative Information Technology	130,000.00	(26,000.00)	104,000.00	83,852.48	20,147.52
Required Maintenance for School Facilities:					
Salaries	\$ 50,000.00	\$ 7,600.00	\$ 57,600.00	\$ 57,499.92	\$ 100.08
Cleaning, Repair, and Maintenance Services	40,000.00	34,584.00	74,584.00	70,111.90	4,472.10
General Supplies	8,000.00	(4,000.00)	4,000.00	391.27	3,608.73
Other Objects	3,000.00	-	3,000.00		3,000.00
Total Required Maint. for School Facilities	101,000.00	38,184.00	139,184.00	128,003.09	11,180.91

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
Custodial Services:					
Salaries	239,216.00	10,500.00	249,716.00	242,974.75	6,741.25
Cleaning, Repair & Maintenance Services	66,050.00	5,933.00	71,983.00	70,570.40	1,412.60
Other Purchased Property Services	14,500.00	(1,022.00)	13,478.00	12,287.96	1,190.04
Insurance	44,515.00	(2,050.00)	42,465.00	41,661.62	803.38
Miscellaneous Purchased Services	3,525.00	1,750.00	5,275.00	5,244.85	30.15
General Supplies	23,000.00	8,322.00	31,322.00	31,321.67	0.33
Energy (Natural Gas)	150,000.00	(11,310.00)	138,690.00	97,832.29	40,857.71
Other Objects	150.00	-	150.00	-	150.00
Total Custodial Services	540,956.00	12,123.00	553,079.00	501,893.54	51,185.46
Student Transportation Services:					
Contracted Services (Other Than Between Home & School) - Vendors	-	-	7,232.00	6,375.00	857.00
Contracted Services (Special Ed. Students) - Joint Agreements	250,412.00	(30,220.00)	220,192.00	209,190.06	11,001.94
Contracted Services (Regular Students) - ESCs	70,000.00	-	70,000.00	70,000.00	-
Contracted Services (Special Ed. Students) - ESCs	286,000.00	(1,400.00)	284,600.00	186,163.85	98,436.15
Transportation Management Fee	10,557.00	-	10,557.00	10,557.00	-
Contracted Services - Aid in Lieu of Payments	13,260.00	6,188.00	19,448.00	19,448.00	-
Total Student Transportation Services	639,229.00	(27,200.00)	612,029.00	501,733.91	110,295.09
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 63,373.00	\$ -	\$ 63,373.00	\$ 50,201.70	\$ 13,171.30
Group Insurance	1,080.00	500.00	1,580.00	1,411.35	168.65
Other Retirement Contributions - Regular	74,195.00	6,112.00	80,307.00	80,307.00	-
Unemployment Compensation	40,000.00	-	40,000.00	40,000.00	-
Workers' Compensation	47,000.00	(500.00)	46,500.00	37,615.23	8,884.77
Health Benefits	1,206,368.00	48,888.00	1,255,256.00	1,182,109.42	73,146.58
Tuition Reimbursement	10,000.00	-	10,000.00	7,300.00	2,700.00
Other Employee Benefits	97,282.00	(5,000.00)	92,282.00	42,325.84	49,956.16
Total Unallocated Benefits - Employee Benefits	1,539,298.00	50,000.00	1,589,298.00	1,441,270.54	148,027.46

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTD.):					
On-behalf TPAF Pension				281,707.00	(281,707.00)
Contributions (non-budgeted)				335,435.00	(335,435.00)
On-behalf Post Retirement Medical				265,607.43	(265,607.43)
Contributions (non-budgeted)					-
Reimbursed TPAF Social Security					(265,607.43)
Contributions (non-budgeted)					
Total Personal Services - Employee Benefits	1,539,298.00	50,000.00	1,589,298.00	2,324,019.97	(734,721.97)
Total Undistributed Expenditures	9,539,855.00	(201,942.53)	9,337,912.47	9,610,894.70	(272,982.23)
Total Expenditures - Current Expense	13,038,852.00	(21,946.36)	13,016,905.64	13,055,027.43	(38,121.79)
CAPITAL OUTLAY:					
Equipment:					
Operations and Maintenance	\$ -	\$ 2,800.00	\$ 2,800.00	\$ 2,758.15	\$ 41.85
Total Equipment	-	2,800.00	2,800.00	2,758.15	41.85
Facilities Acquis. & Constr. Services:					
Architectural/Engineering Services	-	2,351.16	2,351.16	2,351.16	-
Construction Services	36,300.00	43,852.23	80,152.23	80,140.78	11.45
Assessment for Debt Service on SDA Funding	3,804.00	-	3,804.00	3,804.00	-
Total Facil. Acquis. & Constr. Services	40,104.00	46,203.39	86,307.39	86,295.94	11.45
Total Capital Outlay	40,104.00	49,003.39	89,107.39	89,054.09	53.30
Total Expenditures	13,078,956.00	27,057.03	13,106,013.03	13,144,081.52	(38,068.49)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (166,346.00)	\$ (27,057.03)	\$ (193,403.03)	\$ 703,246.20	\$ 896,649.23
Other Financing Sources/(Uses):					
Transfer Capital Reserve to Capital Projects	(328,295.00)		(328,295.00)	(225,666.00)	102,629.00
Transfer from Other Funds	50,000.00		50,000.00		(50,000.00)
Transfer of Funds to Charter School	(15,543.00)	15,543.00	-		-
Total Other Financing Sources/(Uses)	(293,838.00)	15,543.00	(278,295.00)	(225,666.00)	52,629.00

JAMESBURG SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(460,184.00)	(11,514.03)	(471,698.03)	477,580.20	949,278.23
Fund Balances, July 1	<u>1,215,103.06</u>		<u>1,215,103.06</u>	<u>1,215,103.06</u>	
Fund Balances, June 30	<u>\$ 754,919.06</u>	<u>\$ (11,514.03)</u>	<u>\$ 743,405.03</u>	<u>\$ 1,692,683.26</u>	<u>\$ 949,278.23</u>
Recapitulation:					
Restricted Fund Balance:					
Emergency Reserve				\$ 75,040.52	
Maintenance Reserve				255,815.00	
Capital Reserve Account				744,456.92	
Capital Reserve Account-Designated for Subsequent Year Expenditures				210,000.00	
Committed Fund Balance:					
Year - End Encumbrances				31,000.82	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				78,720.00	
Unassigned Fund Balance				<u>297,650.00</u>	
				<u>\$ 1,692,683.26</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(507,094.00)	
Extraordinary Aid				<u>(135,777.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,049,812.26</u>	

JAMESBURG SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources					
Revenues from Local Sources		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -
Total Local Revenues	-	2,500.00	2,500.00	2,500.00	-
State Sources					
Preschool Education Aid	83,328.00		83,328.00	83,328.00	-
Total State Revenues	83,328.00	-	83,328.00	83,328.00	-
Federal Sources					
Title I	223,594.00	\$	223,594.00	\$ 222,346.00	\$ (1,248.00)
Title II	25,563.00		25,563.00	10,200.00	(15,363.00)
Title III	14,555.00		14,555.00	12,355.00	(2,200.00)
IDEA Part B	188,220.00		188,220.00	188,220.00	-
IDEA Preschool	5,524.00		5,524.00	5,524.00	-
Total Federal Revenues	457,456.00	-	457,456.00	438,645.00	(18,811.00)
Total Revenues	540,784.00	2,500.00	543,284.00	524,473.00	(18,811.00)
EXPENDITURES:					
Instruction					
Salaries of Teachers	198,083.00	(14,515.00)	183,568.00	181,458.00	2,110.00
Purchased Professional -Educational Services		14,515.00	14,515.00	13,267.00	1,248.00
Tuition	193,744.00		193,744.00	193,744.00	-
Other Purchased Services (400-500 series)	4,636.00		4,636.00	4,636.00	-
General Supplies	25,080.00	500.00	25,580.00	25,580.00	-
Total Instruction	421,543.00	500.00	422,043.00	418,685.00	3,358.00

JAMESBURG SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
EXPENDITURES (CONTD.):					
Support Services					
Salaries of Other Professional Staff	12,500.00		12,500.00	12,500.00	-
Other Salaries	6,000.00		6,000.00	6,000.00	-
Personal Services-Employee Benefits	68,525.00	(500.00)	68,025.00	68,025.00	-
Purch. Prof. - Educ. Services	28,563.00		28,563.00	13,200.00	15,363.00
Supplies and Materials	3,653.00		3,653.00	3,563.00	90.00
Other Objects		2,500.00	2,500.00	2,500.00	-
Total Support Services	119,241.00	2,000.00	121,241.00	105,788.00	15,453.00
Total Expenditures	540,784.00	2,500.00	543,284.00	524,473.00	18,811.00
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Sources (Uses)					

NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION – PART II

JAMESBURG SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 13,847,327.72	\$ 524,473.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(642,871.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	644,102.00	6,770.00
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	13,848,558.72	531,243.00
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	13,144,081.52	524,473.00
Differences - budget to GAAP		
Charges for Deferred Health Benefits costs are recognized for <i>budgetary</i> purposes in the year paid, but are recognized for <i>financial reporting</i> purposes during the period in which the liability is incurred	(129,734.36)	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 13,014,347.16	\$ 524,473.00

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART III

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

SECTION – L

**(Section numbering as per N.J. Department of Education
2014-2015 Audit Program)**

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

	<u>Last 10 Fiscal Years*</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.00009847	0.00009792	0.00008167
District's Proportionate Share of the Net Pension Liability	\$1,881,903	\$1,833,266	\$1,833,266
District's Covered-Employee Payroll	\$638,175	\$651,199	\$403,132
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	294.89%	281.52%	454.76%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%

* Amounts presented for each fiscal year were determined as of June 30.

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 74,193	\$ 80,721	\$ 80,307
Contribution in Relation to Contractually Required Contribution	<u>\$ (74,193)</u>	<u>\$ (80,721)</u>	<u>\$ (80,307)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 651,199	\$ 641,703	\$ 403,132
Contributions as a percentage of Covered Employee Payroll	11.39%	12.58%	19.92%

* Amounts presented for each fiscal year were determined as of June 30.

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND (Non-State Employer Group)

	<u>Last 10 Fiscal Years*</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.00036973	0.000388108	0.00034956
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$18,685,862	\$20,743,125	\$22,093,810
District's Covered-Employee Payroll	\$3,387,271	\$3,456,399	\$3,601,005
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	551.65%	600.14%	613.55%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%

* Amounts presented for each fiscal year were determined as of June 30.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION – PART III

JAMESBURG SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2016

NOTE 1. CHANGES IN ASSUMPTIONS

Net pension liabilities for the years ended June 30, 2014 and 2015 were based on RP-2000 mortality tables utilizing actuarial experience studies covering the following periods:

TPAF: July 1, 2009 to June 30, 2012

PERS: July 1, 2008 to June 30, 2011

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

SECTION – D

SPECIAL REVENUE FUND

SECTION – E

JAMESBURG SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	PRESCHOOL EDUCATION AID	I.D.E.A. PART B BASIC 2015-16	I.D.E.A. PART B PRESCHOOL 2015-16	TITLE II PART A 2015-16	TITLE I 2015-16	TITLE III 2015-16	NJSBA SAFETY GRANT	TOTALS 2015-16
REVENUES								
Local Sources	\$ 83,328.00						2,500.00	\$ 2,500.00
State Sources	-	188,220.00	5,524.00	10,200.00	222,346.00	12,355.00		83,328.00
Federal Sources								438,645.00
Total Revenues	83,328.00	188,220.00	5,524.00	10,200.00	222,346.00	12,355.00	2,500.00	524,473.00
EXPENDITURES								
Instruction:								
Salaries of Teachers	35,000.00				142,016.00	4,442.00		181,458.00
Purchased Prof. - Educational Services					13,267.00			13,267.00
Other Purch. Services (400-500 series)	4,636.00							4,636.00
Tuition								193,744.00
General Supplies	6,500.00	188,220.00	5,524.00		14,730.00	4,350.00		25,580.00
Total Instruction	46,136.00	188,220.00	5,524.00	-	170,013.00	8,792.00	-	418,685.00
Support Services:								
Salaries of Other Prof. Staff	6,000.00				6,500.00			12,500.00
Other Salaries	6,000.00							6,000.00
Personal Services - Empl. Benefits	25,192.00			10,200.00	42,833.00			68,025.00
Purch. Prof. - Educ. Services	-				3,000.00			3,000.00
Supplies and Materials	-					3,563.00		3,563.00
Other Objects							2,500.00	2,500.00
Total Support Services	37,192.00	-	-	10,200.00	52,333.00	3,563.00	2,500.00	105,788.00
Total Expenditures	\$ 83,328.00	\$ 188,220.00	\$ 5,524.00	\$ 10,200.00	\$ 222,346.00	\$ 12,355.00	\$ 2,500.00	\$ 524,473.00

JAMESBURG SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 PRESCHOOL EDUCATION AID
 STATEMENT OF EXPENDITURES
 BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGET	ACTUAL	VARIANCE
<u>EXPENDITURES</u>			
Instruction:			
Salaries of Teachers	\$ 35,000.00	\$ 35,000.00	\$
Other Purch. Services	4,636.00	4,636.00	
General Supplies	6,500.00	6,500.00	
Total Instruction	46,136.00	46,136.00	
Support Services:			
Salary Program Director	6,000.00	6,000.00	
Other Salaries Other Prof. Staff	6,000.00	6,000.00	
Personal Services - Employee Benefits	25,192.00	25,192.00	
Total Support Services	37,192.00	37,192.00	
Total Expenditures	\$ 83,328.00	\$ 83,328.00	\$
Total Revised 2015-16 Preschool Education Aid Allocation			\$ 83,328.00
Actual Preschool Aid Carryover (June 30, 2015)			
Total Preschool Education Funds Available 2014-15 Budget			83,328.00
Less: 2015-16 Budgeted Preschool Education Aid (Incl. Prior Year Budgeted Carryover)			83,328.00
2014-2015 Actual Carryover			
2014-2015 Actual Carryover - Preschool Education Aid			
2014-15 Preschool Ed Aid Carryover Budgeted in 2015-2016			\$

CAPITAL PROJECTS FUND

SECTION – F

JAMESBURG SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2016

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATION</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
JFK Elementary School HVAC Upgrades	\$ 339,100.00	-	\$ 339,100.00	\$ -
JFK Elementary School Roof Replacement	<u>162,380.00</u>	-	<u>162,380.00</u>	-
	<u>\$ 501,480.00</u>	<u>-</u>	<u>\$ 501,480.00</u>	<u>\$ -</u>

JAMESBURG SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Revenues and Financing Sources:	
State Sources - SCC/EDA Grants	\$ 275,814.00
Transfer from Capital Reserve	<u>225,666.00</u>
Total Revenues and Financing Sources	<u>501,480.00</u>
Expenditures	
Architect Services	0.00
Legal services	0.00
Other Administrative Services	-
Construction services	<u>501,480.00</u>
Total Expenditures	<u>501,480.00</u>
Net Change in Fund Balances	-
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>
Reconciliation of Budgetary Basis & GAAP Financial Reporting:	
Fund Balance-Budgetary Basis	\$ -
Less: Budgetary Revenues not recognized on a GAAP Basis due to availability of funds	
JFK HVAC Upgrades	(186,505.00)
JFK Roof Replacement	<u>(89,309.00)</u>
Fund Balance -GAAP Basis (B-1 & B-2)	<u><u>\$ (275,814.00)</u></u>

JAMESBURG SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
 JFK ELEMENTARY SCHOOL HVAC UPGRADES
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$ 186,505.00	\$ 186,505.00	\$ 185,886.00
Bond proceeds and transfers		-	-	
Contribution from private source	-	-	-	-
Transfer from Capital Reserve	\$	\$ 152,595.00	\$ 152,595.00	\$ 153,214.00
Total revenues	-	339,100.00	339,100.00	339,100.00
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Other Administrative Services	-		-	-
Land and Improvements			-	-
Construction services		339,100.00	339,100.00	339,100.00
Total expenditures	-	339,100.00	339,100.00	339,100.00
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

Additional project information:

Project Number	2370-080-14-1003-G04
Grant Date	01/06/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$388,300
Cost Revisions	-49,200
Revised Authorized Cost	\$339,100
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	Dec-15
Revised target completions date	Completed

JAMESBURG SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
JFK ELEMENTARY SCHOOL ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$	\$ 89,309.00	\$ 89,309.00	\$ 89,013.00
Bond proceeds and transfers		-	-	-
Contribution from private source	-	-	-	-
Transfer from Capital Reserve	\$	\$ 73,071.00	\$ 73,071.00	\$ 73,367.00
		<u>162,380.00</u>	<u>162,380.00</u>	<u>162,380.00</u>
Total revenues	<u>-</u>	<u>162,380.00</u>	<u>162,380.00</u>	<u>162,380.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	-		-	-
Other Administrative Services	-		-	-
Land and Improvements			-	-
Construction services		162,380.00	162,380.00	162,380.00
		<u>162,380.00</u>	<u>162,380.00</u>	<u>162,380.00</u>
Total expenditures	<u>-</u>	<u>162,380.00</u>	<u>162,380.00</u>	<u>162,380.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	2370-080-14-1004-G04
Grant Date	01/06/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$338,300
Cost Revisions	-175,920
Revised Authorized Cost	\$162,380
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	100%
Original target completion date	Feb-16
Revised target completions date	Completed

PROPRIETARY FUNDS

SECTION – G

ENTERPRISE FUND

JAMESBURG SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 ENTERPRISE FUNDS
 FOOD SERVICE
AS OF JUNE 30, 2016

	<u>FOOD SERVICE - ENTERPRISE FUND</u>	<u>CHILDCARE PROGRAM</u>	<u>TOTALS</u>
Assets:			
Cash and Cash Equivalents	\$ 88,643.58	\$ 291,351.18	\$ 379,994.76
Accounts Receivable:			
State	637.07		637.07
Federal	37,096.70		37,096.70
Other	81.59		81.59
Inventories	<u>4,860.15</u>		<u>4,860.15</u>
Total Current Assets	<u>131,319.09</u>	<u>291,351.18</u>	<u>422,670.27</u>
Noncurrent Assets:			
Fixed Assets:			
Equipment	150,378.33		150,378.33
Accumulated Depreciation	<u>(141,133.91)</u>		<u>(141,133.91)</u>
Total Noncurrent Assets	<u>9,244.42</u>	<u>-</u>	<u>9,244.42</u>
Total Assets	<u>\$ 140,563.51</u>	<u>\$ 291,351.18</u>	<u>\$ 431,914.69</u>
Liabilities:			
Current Liabilities:			
Deferred Revenue	2,144.20		2,144.20
Accounts Payable	<u>4,256.95</u>		<u>4,256.95</u>
Total Current Liabilities	<u>6,401.15</u>	<u>-</u>	<u>6,401.15</u>
Total Liabilities	<u>\$ 6,401.15</u>	<u>-</u>	<u>\$ 6,401.15</u>
Net Position:			
Investment in Capital Assets - Net of Related Debt	9,244.42		9,244.42
Unrestricted (Deficit)	<u>124,917.94</u>	<u>291,351.18</u>	<u>416,269.12</u>
Total Net Position	<u>\$ 134,162.36</u>	<u>\$ 291,351.18</u>	<u>\$ 425,513.54</u>

JAMESBURG SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>FOOD SERVICE - ENTERPRISE FUND</u>	<u>CHILDCARE PROGRAM</u>	<u>TOTALS</u>
Operating Revenues:			
Charges for Daily Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 94,722.16		\$ 94,722.16
Daily Sales - Nonreimbursable	3,594.31		3,594.31
Childcare Fees		255,906.07	255,906.07
	<u>98,316.47</u>	<u>255,906.07</u>	<u>354,222.54</u>
Total Operating Revenues			
Operating Expenses:			
Salaries	104,653.03	148,658.28	253,311.31
Employee Benefits	38,072.81	11,194.02	49,266.83
Purchased Prof/Tech. Services	5,116.25	25,464.84	30,581.09
Supplies and Materials	11,375.05	45,076.07	56,451.12
Repairs and Maintenance	6,503.96		6,503.96
Management Fee	13,770.00		13,770.00
Depreciation	5,146.16		5,146.16
Cost of Sales	123,961.11		123,961.11
	<u>308,598.37</u>	<u>230,393.21</u>	<u>538,991.58</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(210,281.90)</u>	<u>25,512.86</u>	<u>(184,769.04)</u>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	3,758.96		3,758.96
Federal Sources:			-
National School Lunch Program	153,476.11		153,476.11
National School Lunch Program-Performance Based	4,395.66		4,395.66
National School Breakfast Program	49,068.02		49,068.02
Food Distribution Program	15,850.20		15,850.20
	<u>226,548.95</u>	<u>-</u>	<u>226,548.95</u>
Total Non-Operating Revenues			
Net Income (Loss) before Operating Transfers	<u>16,267.05</u>	<u>25,512.86</u>	<u>41,779.91</u>
Change in Net Position	16,267.05	25,512.86	41,779.91
Total Net Position - Beginning	<u>117,895.31</u>	<u>265,838.32</u>	<u>383,733.63</u>
Total Net Position - Ending	<u>\$ 134,162.36</u>	<u>\$ 291,351.18</u>	<u>\$ 425,513.54</u>

JAMESBURG SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>FOOD SERVICE - ENTERPRISE FUND</u>	<u>CHILDCARE PROGRAM</u>	<u>TOTAL ENTERPRISE FUND</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 99,093.25	\$ 255,906.07	\$ 354,999.32
Cash Payments to Employees	(126,875.64)	(159,852.30)	(286,727.94)
Cash Payments to Suppliers for Goods and Services	<u>(160,263.21)</u>	<u>(70,540.91)</u>	<u>(230,804.12)</u>
Net Cash Provided by Operating Activities	<u>(188,045.60)</u>	<u>25,512.86</u>	<u>(162,532.74)</u>
Cash Flows from Non-Capital Financing Activities:			
Cash Received from State and Federal Sources	<u>189,334.84</u>	<u> </u>	<u>189,334.84</u>
Net Cash Provided by Non-Capital Financing Activities	<u>189,334.84</u>	<u>-</u>	<u>189,334.84</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,289.24	25,512.86	26,802.10
Cash and Cash Equivalents at Beginning of Year	<u>87,354.34</u>	<u>265,838.32</u>	<u>353,192.66</u>
Cash and Cash Equivalents at End of Year	<u>\$ 88,643.58</u>	<u>\$ 291,351.18</u>	<u>\$ 379,994.76</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (210,281.90)	\$ 25,512.86	\$ (184,769.04)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Income:			
Depreciation Expense	5,146.16		5,146.16
Food Distribution Program	15,850.20		15,850.20
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	315.28		315.28
(Increase) Decrease in Inventory	2,410.89		2,410.89
Increase (Decrease) in Deferred Revenue	433.30		433.30
Increase (Decrease) in Accounts Payable	<u>(1,919.53)</u>		<u>(1,919.53)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (188,045.60)</u>	<u>\$ 25,512.86</u>	<u>\$ (162,532.74)</u>

INTERNAL SERVICE FUND

FIDUCIARY FUNDS

SECTION - H

JAMESBURG SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	TRUST FUND		AGENCY FUND	
	UNEMPLOYMENT COMPENSATION TRUST	NON-EXPENDABLE SCHOLARSHIP TRUST	STUDENT ACTIVITY	PAYROLL
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 101,027.84	\$ 5,368.18	\$ 12,500.44	\$ 114,423.47
Interfund Accounts Receivable	29,384.84			
Total Assets	\$ 130,412.68	\$ 5,368.18	\$ 12,500.44	\$ 114,423.47
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Accounts Payable	\$ 2,258.04	\$	\$	\$
Payroll Deductions and Withholdings Due to Student Groups			12,500.44	114,423.47
Total Liabilities	2,258.04		\$ 12,500.44	\$ 114,423.47
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	128,154.64	5,368.18		
Total Net Position	\$ 128,154.64	\$ 5,368.18		

JAMESBURG SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>PRIVATE PURPOSE SCHOLARSHIP FUND</u>
ADDITIONS:		
Contributions:		
Employee	\$ 7,100.34	\$
Employer (Board Contribution)	40,000.00	
Donations		
	<hr/>	<hr/>
Total Contributions	47,100.34	-
	<hr/>	<hr/>
Investment Earnings:		
Interest		5.07
	<hr/>	<hr/>
Total investment earnings	-	5.07
	<hr/>	<hr/>
Total Additions	47,100.34	5.07
	<hr/>	<hr/>
DEDUCTIONS:		
Scholarship Awarded		300.00
Unemployment Claims	26,784.77	
	<hr/>	<hr/>
Total Deductions	26,784.77	300.00
	<hr/>	<hr/>
Change in Net Position	20,315.57	(294.93)
	<hr/>	<hr/>
Net Position - Beginning of the Year	107,839.07	5,663.11
	<hr/>	<hr/>
Net Position - End of the Year	\$ 128,154.64	\$ 5,368.18
	<hr/> <hr/>	<hr/> <hr/>

JAMESBURG SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BALANCE</u> <u>JUNE 30,</u> <u>2015</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30,</u> <u>2016</u>
<u>ELEMENTARY SCHOOLS</u>				
John F. Kennedy Elementary	\$ 3,961.27	\$ 2,197.88	\$ 1,253.63	\$ 4,905.52
Grace M Breckwedel Middle School	<u>2,406.11</u>	<u>18,459.11</u>	<u>13,270.30</u>	<u>7,594.92</u>
Total All Schools	<u>\$ 6,367.38</u>	<u>\$ 20,656.99</u>	<u>\$ 14,523.93</u>	<u>\$ 12,500.44</u>

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BALANCE JUNE 30, <u>2015</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	BALANCE JUNE 30, <u>2016</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>81,012.54</u>	\$ <u>2,963,559.15</u>	\$ <u>2,930,148.22</u>	\$ <u>114,423.47</u>
Total Assets	\$ <u><u>81,012.54</u></u>	\$ <u><u>2,963,559.15</u></u>	\$ <u><u>2,930,148.22</u></u>	\$ <u><u>114,423.47</u></u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings Net Payroll	\$ <u>81,012.54</u>	\$ <u>1,002,609.32</u> <u>1,960,949.83</u>	\$ <u>969,198.39</u> <u>1,960,949.83</u>	\$ <u>114,423.47</u>
Total Liabilities	\$ <u><u>81,012.54</u></u>	\$ <u><u>2,963,559.15</u></u>	\$ <u><u>2,930,148.22</u></u>	\$ <u><u>114,423.47</u></u>

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 NET PAYROLL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BALANCE JUNE 30, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ _____	\$ 1,960,949.83	\$ 1,960,949.83	\$ _____
Total Assets	\$ _____	\$ 1,960,949.83	\$ 1,960,949.83	\$ _____
<u>LIABILITIES</u>				
Accrued Salaries and Benefits	\$ _____	\$ 1,960,949.83	\$ 1,960,949.83	\$ _____
Total Liabilities	\$ _____	\$ 1,960,949.83	\$ 1,960,949.83	\$ _____

LONG-TERM DEBT

SECTION - I

JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

ISSUE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2015	RETIRED	BALANCE JUNE 30, 2016
			DATE	AMOUNT				
Refunding Bonds	07/01/14	2,760,000.00	1/1/17	\$ 370,000.00	3.000%	\$ 2,370,000.00	\$ 360,000.00	\$ 2,010,000.00
			1/1/18	385,000.00	4.000%			
			1/1/19	400,000.00	4.000%			
			1/1/20	420,000.00	4.000%			
			1/1/21	435,000.00	4.000%			
Totals						\$ 2,370,000.00	\$ 360,000.00	\$ 2,010,000.00

JAMESBURG SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE POSITIVE (NEGATIVE) FINAL TO ACTUAL
<u>REVENUES</u>					
Local Sources:					
Local Tax Levy	\$ 306,396.00	\$	306,396.00	\$ 306,396.00	\$
State Sources:					
Debt Service Aid Type II	117,876.00		117,876.00	117,876.00	-
Total Revenues	424,272.00		424,272.00	424,272.00	-
<u>EXPENDITURES</u>					
Regular Debt Service:					
Interest	87,500.00		87,500.00	87,500.00	-
Redemption of Principal	360,000.00		360,000.00	360,000.00	-
Total Regular Debt Service	447,500.00		447,500.00	447,500.00	-
Total Expenditures	447,500.00		447,500.00	447,500.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(23,228.00)	-	(23,228.00)	(23,228.00)	-
Fund Balance - July 1	26,334.53		26,334.53	26,334.53	
Fund Balance - June 30	\$ 3,106.53	\$	3,106.53	\$ 3,106.53	\$

STATISTICAL SECTION

SECTION – J

Financial Trends

Jamesburg School District
 Net Position/Assets by Component,
 Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities								
Invested in capital assets, net of related debt	\$ 990,560.00	\$ 1,066,540.00	\$ 1,190,717.00	\$ 1,310,444.00	\$ 1,728,745.00	\$ 2,073,745.00	\$ 2,008,258.00	\$ 2,754,942.59
Restricted	145,922.00	160,908.00	293,662.00	464,379.00	537,071.77	815,127.85	833,062.06	1,316,214.26
Unrestricted	(216,569.00)	(270,215.00)	(184,151.00)	(321,535.00)	(493,289.98)	(2,788,090.85)	(2,543,894.79)	(4,622,628.39)
Total governmental activities net position/assets	\$ 919,913.00	\$ 957,233.00	\$ 1,300,228.00	\$ 1,453,288.00	\$ 1,772,526.79	\$ 100,782.00	\$ 297,425.27	\$ (551,471.54)
Business-type activities								
Invested in capital assets, net of related debt					\$ 25,354.41	\$ 19,536.74	\$ 14,390.58	\$ 9,244.42
Unrestricted	282,161.00	299,930.00	314,650.00	309,317.00	342,944.67	315,771.18	369,343.05	416,269.13
Total business-type activities net position/assets	\$ 282,161.00	\$ 299,930.00	\$ 314,650.00	\$ 309,317.00	\$ 368,299.08	\$ 335,307.92	\$ 383,733.63	\$ 425,513.55
District-wide								
Invested in capital assets, net of related debt	\$ 990,560.00	\$ 1,066,540.00	\$ 1,190,717.00	\$ 1,310,444.00	\$ 1,754,099.41	\$ 2,093,281.74	\$ 2,022,648.58	\$ 2,764,187.01
Restricted	145,922.00	160,908.00	293,662.00	464,379.00	537,071.77	815,127.85	833,062.06	1,316,214.26
Unrestricted	65,592.00	29,715.00	130,499.00	(12,218.00)	(150,345.31)	(2,472,319.67)	(2,174,551.74)	(4,206,359.26)
Total district net position/assets	\$ 1,202,074.00	\$ 1,257,163.00	\$ 1,614,878.00	\$ 1,762,605.00	\$ 2,140,825.87	\$ 436,089.92	\$ 681,158.90	\$ (125,957.99)

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years

Source: District records(A-1)

Jamesburg School District
Changes in Net Position/Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Expenses								
Governmental activities								
Instruction								
Regular	\$ 2,607,726.00	\$ 2,133,697.00	\$ 2,577,808.00	\$ 2,682,995.00	\$ 2,728,793.48	\$ 2,351,573.42	\$ 2,305,317.51	\$ 2,381,236.81
Special education	599,092.00	718,481.00	709,802.00	656,054.00	728,017.81	1,052,581.82	1,042,056.34	1,309,299.18
Other special instruction					126,933.93	117,680.38	96,921.26	151,799.50
Other instruction	308,279.00	990,484.00	182,999.00	308,792.00	2,441.00	1,067.50	1,260.00	20,462.24
Adult/Continuing Education	19,304.00	19,304.00						
Support Services:								
Tuition	4,194,975.00	4,090,032.00	4,241,104.00	4,366,918.00	4,607,924.78	4,846,564.07	4,735,533.73	4,881,951.87
Student & instruction related services	790,897.00	856,067.00	613,510.00	646,513.00	688,154.23	809,813.22	805,017.68	830,799.09
School administrative services	311,339.00	320,945.00	321,461.00	321,679.00	233,518.43	354,760.11	318,253.71	303,407.43
General administrative services	454,852.00	482,191.00	442,569.00	491,230.00	320,807.93	231,973.16	363,063.22	583,023.53
Central Services					204,521.44	239,245.93	218,000.74	
Administrative information technology					59,819.40	78,501.29	73,747.58	
Plant operations and maintenance	777,343.00	674,514.00	579,458.00	568,263.00	593,386.49	477,244.53	618,215.80	629,896.63
Pupil transportation	622,851.00	600,061.00	569,725.00	515,508.00	607,421.27	658,207.36	574,328.94	501,733.91
Unallocated benefits	1,662,381.00	2,047,465.00	1,847,270.00	2,074,585.00	2,215,322.15	2,225,154.77	2,270,983.03	2,306,224.61
Interest on long-term debt	172,977.00	166,902.00	159,553.00	148,878.00	190,230.62	121,024.38	112,280.44	47,630.55
Unallocated depreciation and amortization	177,177.00	180,422.00	180,685.00	180,949.00	180,949.00		64,578.67	211,324.92
Total governmental activities expenses	12,699,193.00	13,280,565.00	12,425,944.00	12,962,364.00	13,488,261.96	13,565,391.94	13,599,558.65	14,158,810.27
Business-type activities:								
Food service	234,964.00	239,599.00	101,962.00	239,217.00	253,107.98	296,546.34	277,458.37	308,598.37
Childcare	255,056.00	240,722.00	236,799.00	285,001.00	217,025.20	247,469.65	190,596.13	230,393.21
Total business-type activities expense	490,020.00	480,321.00	338,761.00	524,218.00	470,133.18	544,015.99	468,054.50	538,991.58
Total district expenses	\$ 13,189,213.00	\$ 13,760,886.00	\$ 12,764,705.00	\$ 13,486,582.00	\$ 13,958,395.14	\$ 14,109,407.93	\$ 14,067,613.15	\$ 14,697,801.85
Program Revenues								
Governmental activities:								
Operating grants and contributions	\$ 521,308.00	\$ 731,502.00	\$ 559,408.00	\$ 507,152.00	\$ 580,252.47	\$ 6,276,125.54	\$ 6,350,229.49	\$ 6,518,989.43
Total governmental activities program revenues	521,308.00	731,502.00	559,408.00	507,152.00	580,252.47	6,276,125.54	6,350,229.49	6,518,989.43
Business-type activities:								
Charges for services								
Food service	99,078.00	100,109.00	101,962.00	108,086.00	106,938.04	104,490.09	100,582.00	98,316.47
Childcare	286,561.00	263,688.00	236,799.00	261,739.00	260,578.63	212,435.24	212,757.54	255,906.07
Operating grants and contributions	123,274.00	134,293.00	133,310.00	149,060.00	161,598.59	182,970.61	203,140.67	226,548.95
Total business type activities program revenues	508,913.00	498,090.00	472,071.00	518,885.00	529,115.26	499,895.94	516,480.21	580,771.49
Total district program revenues	\$ 1,030,221.00	\$ 1,229,592.00	\$ 1,031,479.00	\$ 1,026,037.00	\$ 1,109,367.73	\$ 6,776,021.48	\$ 6,866,709.70	\$ 7,099,760.92

Jamesburg School District
Changes in Net Position/Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue								
Governmental activities	\$ (12,177,885.00)	\$ (12,549,063.00)	\$ (11,866,536.00)	\$ (12,455,212.00)	\$ (12,908,009.49)	\$ (7,289,266.40)	\$ (7,249,329.16)	\$ (7,639,820.84)
Business-type activities	18,893.00	17,769.00	133,310.00	(5,333.00)	58,982.08	(44,120.05)	48,425.71	-
Total district-wide net expense	\$ (12,158,992.00)	\$ (12,531,294.00)	\$ (11,733,226.00)	\$ (12,460,545.00)	\$ (12,849,027.41)	\$ (7,333,386.45)	\$ (7,200,903.45)	\$ (7,639,820.84)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 6,547,012.00	\$ 6,625,544.00	\$ 6,650,854.00	\$ 6,655,854.00	\$ 7,122,271.00	\$ 7,264,716.00	\$ 7,410,010.00	\$ 7,780,511.00
Taxes levied for debt service	257,181.00	277,249.00	338,559.00	336,889.00	334,633.00	340,215.00	338,592.00	306,396.00
Federal and State aid not restricted	5,178,957.00	5,655,260.00	5,195,130.00	5,595,815.00	5,748,561.82			
Federal and State aid restricted						131,380.66	130,288.00	184,859.00
Miscellaneous income	49,374.00	28,330.00	24,988.00	19,714.00	21,781.84	20,310.54	10,613.43	13,318.03
Special Item							(436,828.00)	(1,494,160.00)
Transfers to Charter School							(6,703.00)	
Total governmental activities	12,032,504.00	12,586,383.00	12,209,531.00	12,608,272.00	13,227,247.66	7,756,622.20	7,445,972.43	6,790,924.03
Total district-wide	\$ 12,032,504.00	\$ 12,586,383.00	\$ 12,209,531.00	\$ 12,608,272.00	\$ 13,227,247.66	\$ 7,756,622.20	\$ 7,445,972.43	\$ 6,790,924.03
Change in Net Position/Assets								
Governmental activities	\$ (145,381.00)	\$ 37,320.00	\$ 342,995.00	\$ 153,060.00	\$ 319,238.17	\$ 467,355.80	\$ 196,643.27	\$ (848,896.81)
Business-type activities	18,893.00	17,769.00	133,310.00	(5,333.00)	58,982.08	(44,120.05)	48,425.71	41,779.91
Total district	\$ (126,488.00)	\$ 55,089.00	\$ 476,305.00	\$ 147,727.00	\$ 378,220.25	\$ 423,235.75	\$ 245,068.98	\$ (807,116.90)

Source: District records (A-2)

Notes

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Jamesburg School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
General Fund								
Reserved	\$ 14,420.00	\$ 159,206.00	\$ 288,869.00	\$ 463,086.00				
Unreserved	(216,569.00)	(270,215.00)	(184,151.00)	(321,535.00)				
Total general fund	\$ (202,149.00)	\$ (111,009.00)	\$ 104,718.00	\$ 141,551.00	\$ -	\$ -	\$ -	\$ -
All Other Governmental Funds								
Unreserved, reported in:								
Capital Projects Fund	1,702.00	1,702.00	4,793.00	1,293.00				
Debt Service Fund								
Total all other governmental funds	\$ 1,702.00	\$ 1,702.00	\$ 4,793.00	\$ 1,293.00	\$ -	\$ -	\$ -	\$ -
<u>Governmental Funds:</u>								
Restricted For:								
Excess Surplus - Prior Year - Designated					38,327.79	38,327.79		
For Subsequent Year Expenditures					275,000.00	425,602.04	550,857.60	744,456.92
Capital Reserve Account								
Capital Reserve - Designated for								
Subsequent Year's Expenditures					125,815.00	130,815.00	180,815.00	210,000.00
Maintenance Reserve Account					75,000.00	75,040.52	75,054.93	255,815.00
Emergency Reserve Account								75,040.52
Committed For:								
Year-End Encumbrances					22,928.98		11,514.39	31,000.82
General Fund								
Assigned To:								
General Fund - Designated								
For Subsequent Year Expenditures						145,342.00	130,117.00	78,720.00
Debt Service Fund						0.50	3,106.53	3,106.53
Unassigned:								
General Fund					(231,012.86)	(611,669.35)	(483,864.23)	(345,221.00)
Capital Projects Fund								(275,814.00)
Special Revenue Fund					(7,104.00)	(7,552.00)	(6,770.00)	
Total Fund Balances					298,954.91	195,906.50	460,831.22	777,104.79

Source: CAFR Schedule B-1

Note: For Years Commencing With The 2010-2011 School Year, The Provisions Of GASB Statement No. 54 Were Applicable.

Jamesburg School District
 Changes in Fund Balances, Governmental Funds,
 Last Eight Fiscal Years
 (modified accrual basis of accounting)

	2009		2010		2011		2012		2013		2014		2015		2016	
	Fiscal Year Ending June 30,															
Revenues																
Tax levy	\$ 6,804,193.00	\$ 6,902,793.00	\$ 6,989,413.00	\$ 6,992,743.00	\$ 7,456,904.00	\$ 7,604,931.00	7,748,602.00	8,086,907.00								
Miscellaneous	93,453.00	44,720.00	24,988.00	19,714.00	21,781.84	20,310.54	10,613.43	-								
Local sources							1,300.80	15,818.29								
State sources	5,235,255.00	5,009,991.00	5,278,371.00	5,525,957.00	5,883,032.78	5,969,144.02	6,108,327.89	6,262,703.43								
Federal sources	420,911.00	1,360,381.00	476,167.00	577,010.00	445,781.51	438,362.18	395,010.80	438,645.00								
Total revenue	12,553,812.00	13,317,885.00	12,768,939.00	13,115,424.00	13,807,500.13	14,032,747.74	14,263,854.92	14,804,073.72								
Expenditures																
Instruction																
Regular instruction	2,607,726.00	2,133,697.00	2,577,808.00	2,682,995.00	2,728,793.48	2,351,573.42	2,416,988.51	2,381,256.81								
Special education instruction	599,092.00	718,481.00	709,802.00	656,054.00	728,017.81	1,052,581.82	1,042,056.34	1,309,299.18								
Other special instruction	308,279.00	990,484.00	182,999.00	308,792.00	126,953.93	117,680.38	96,921.26	151,799.50								
Other Instruction					2,441.00	1,067.50	1,260.00	20,462.24								
Adult/Continuing Education	19,304.00	18,304.00														
Support Services:																
Tuition	4,194,975.00	4,090,032.00	4,241,104.00	4,366,918.00	4,607,924.78	4,846,564.07	4,735,533.73	4,543,802.13								
Student & inst. related services	790,897.00	856,067.00	613,510.00	6,465,153.00	688,154.23	809,813.22	805,017.68	830,799.09								
General administration	311,339.00	320,945.00	321,461.00	321,679.00	233,518.43	354,760.11	328,136.22	583,023.53								
School administrative services	454,852.00	482,191.00	442,569.00	491,230.00	320,807.93	228,169.16	318,253.71	303,407.43								
Central services					204,521.44	239,245.93	218,000.74									
Admin. information technology					59,819.40	78,501.29	73,747.58									
Plant operations and maintenance	777,343.00	674,514.00	579,458.00	568,263.00	590,919.49	477,244.53	594,784.41	629,896.63								
Pupil transportation	622,851.00	600,061.00	569,725.00	515,508.00	607,421.27	658,207.36	574,329.98	501,733.91								
Employee benefits	1,654,356.00	2,037,940.00	1,845,070.00	2,055,261.00	2,244,051.15	2,188,258.27	2,279,444.03	2,194,285.61								
Special Schools																
Capital outlay	16,524.00	20,927.00	2,062.00		40,367.68	3,804.00	62,162.39	590,534.09								
Debt service:																
Principal	209,112.00	245,000.00	305,000.00	320,000.00	330,000.00	345,000.00	390,000.00	360,000.00								
Interest and other charges	172,977.00	166,902.00	159,553.00	148,878.00	137,677.50	126,127.50	123,272.11	87,500.00								
Total expenditures	12,739,627.00	13,355,545.00	12,550,121.00	18,900,731.00	13,651,389.52	13,878,598.56	14,059,908.69	14,487,800.15								
Excess (Deficiency) of revenues over (under) expenditures	(185,815.00)	(37,660.00)	218,818.00	(5,785,307.00)	156,110.61	154,149.18	203,946.23	316,273.57								
Other Financing sources (uses)																
Refunding Bonds Issued							2,964,620.45									
Payments to escrow agent							(2,896,940.00)									
Transfers out							(6,703.00)									
Total other financing sources (uses)							60,977.45									
Net change in fund balances	\$ (185,815.00)	\$ (37,660.00)	\$ 218,818.00	\$ (5,785,307.00)	\$ 156,110.61	\$ 154,149.18	264,923.68	316,273.57								
Debt service as a percentage of noncapital expenditures	3.00%	3.09%	3.70%	2.48%	3.44%	3.40%	3.67%	3.22%								

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Jamesburg School District
 General Fund - Other Local Revenue by Source
 Last Eight Fiscal Years
 Unaudited
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Misc.	Annual Totals
2009		\$49,374.00	\$49,374.00
2010		28,330.00	28,330.00
2011		24,988.00	24,988.00
2012		19,714.00	19,714.00
2013		21,781.84	21,781.84
2014	4,750.00	15,560.54	20,310.54
2015		10,613.43	10,613.43
2016		13,318.29	13,318.29

Source: District records

Revenue Capacity

Jamesburg School District
Assessed Value and Actual Value of Taxable Property,
Last Seven Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Assessed Value					Total Assessed Value	Tax Exempt Property	Business Personal Property ^a	Net Valuation Taxable	Estimated Actual Value (County Equalized)	Total Direct School Tax Rate ^b
	Vacant Land	Residential	Commercial	Industrial	Apartment						
2009	\$3,054,300	\$194,032,900	\$33,608,900	\$925,000	\$8,290,100	\$239,911,200	26,217,700	\$1,148,541	\$214,842,041	\$556,841,356	\$2.900
2010	2,839,900	193,906,800	31,713,900	925,000	8,290,100	237,675,700	26,429,600	1,226,753	212,472,853	533,264,404	\$2.900
2011	2,834,700	194,158,300	31,966,400	700,000	8,290,100	237,949,500	26,413,300	1,355,556	212,891,756	523,721,323	\$2.900
2012	2,786,800	194,102,700	31,589,700	700,000	8,290,100	237,469,300	26,303,300	1,688,303	212,852,303	521,760,481	\$3.100
2013	2,786,800	193,483,300	30,898,800	700,000	7,621,600	235,490,500	26,503,300	1,374,244	210,359,444	500,052,840	\$3.119
2014	2,654,900	193,459,300	30,498,200	700,000	7,621,600	234,934,000	26,860,000	1,414,323	209,488,323	453,969,523	\$3.212
2015	2,687,700	193,403,600	29,658,700	700,000	7,536,600	233,986,600	26,849,600	1,172,044	208,309,044	443,277,283	\$3.439
2016	3,023,800	193,514,500	29,560,600	700,000	7,536,600	234,335,500	26,650,000	1,254,520	235,590,020	435,230,039	\$3.554

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

Jamesburg School District
Direct and Overlapping Property Tax Rates
Last Seven Fiscal Years
Unaudited
(rate per \$100 of assessed value)

Calendar Year	Jamesburg District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Borough of Jamesburg	Fire District	Middlesex County	
2009	\$2.863	\$0.000	\$2.863	\$1.423	\$0.164	\$0.699	\$5.149
2010	\$2.825	\$0.000	\$2.825	\$1.448	\$0.166	\$0.665	\$5.104
2011	\$2.925	\$0.000	\$2.925	\$1.447	\$0.166	\$0.737	\$5.275
2012	\$3.119	\$0.000	\$3.119	\$1.497	\$0.165	\$0.746	\$5.527
2013	\$3.212	\$0.000	\$3.212	\$1.539	\$0.177	\$0.730	\$5.658
2014	\$3.281	\$0.000	\$3.281	\$1.588	\$0.187	\$0.729	\$5.785
2015	\$3.439	\$0.000	\$3.439	\$1.669	\$0.097	\$0.750	\$5.955
2016	\$3.419	\$0.135	\$3.554	\$1.748	\$0.197	\$0.724	\$6.026

Source: Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable. Rates for debt service are based on each year's requirements.

Jamesburg School District
Principal Property Taxpayers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Tall Tree Apartments	\$ 1,800,000		0.76%			
Verizon	1,521,520		0.65%			
7310 13th Ave. LLC	1,494,000		0.63%			
Colletti Terrace LLC	1,375,000		0.58%			
CVS	1,250,000		0.53%			
333 Forsgate Associates LLC	1,100,000		0.47%			
Septak, Kathryn A	1,071,600		0.45%			
Maglies, Robert	1,000,000		0.42%		N/A	
Lake Realty Partners LLC	984,400		0.42%			
TF Halom LLC	957,300		0.41%			
Mittal, Mohit & Neha	912,400		0.39%			
Mid Lee Inc.	877,900		0.37%			
200 Buckelew LLC	850,000		0.36%			
TD Bank	820,700		0.35%			
Leonard, Guy E. & Susan L	785,000		0.33%			
E L & S Co., Inc.	700,000		0.30%			
Total	\$ 17,499,820		7.42%	\$ -		0.00%

Source: Municipal Tax Assessor

Molineux
Jamesburg Holding

Jamesburg School District
Property Tax Levies and Collections,
Last Seven Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$6,804,193.00	\$6,804,193.00	100.00%	-
2010	\$6,902,794.00	\$6,902,794.00	100.00%	-
2011	\$6,989,413.00	\$6,989,413.00	100.00%	-
2012	\$7,456,904.00	\$7,456,904.00	100.00%	-
2013	\$7,456,904.00	\$7,456,904.00	100.00%	-
2014	\$7,264,716.00	\$7,264,716.00	100.00%	-
2015	\$7,748,602.00	\$7,748,602.00	100.00%	-
2016	\$8,086,907.00	\$8,086,907.00	100.00%	-

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

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

Debt Capacity

Jamesburg School District
 Ratios of Outstanding Debt by Type
 Last Eight Fiscal Years
 Unaudited

Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Total District	Percentage of Personal Income ^a	Per Capita ^a
2009	4,385,000.00	4,385,000.00	1.50%	688.82
2010	4,140,000.00	4,140,000.00	1.34%	704.08
2011	3,835,000.00	3,835,000.00	1.27%	649.12
2012	3,515,000.00	3,515,000.00	1.22%	590.95
2013	3,185,000.00	3,185,000.00	1.06%	533.05
2014	2,840,000.00	2,840,000.00	0.90%	472.55
2015	2,370,000.00	2,370,000.00	N/A	393.10
2016	2,010,000.00	2,010,000.00	N/A	N/A

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

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

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District
Ratios of Net General Bonded Debt Outstanding
Last Eight Fiscal Years
Unaudited

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2009	\$ 4,385,000.00		\$ 4,385,000.00	2.04%	\$ 688.82
2010	4,140,000.00		4,140,000.00	1.95%	704.08
2011	3,835,000.00		3,835,000.00	1.80%	649.12
2012	3,515,000.00		3,515,000.00	1.65%	590.95
2013	3,185,000.00		3,185,000.00	1.51%	533.05
2014	2,840,000.00		2,840,000.00	1.36%	472.55
2015	2,370,000.00		2,370,000.00	1.14%	393.10
2016	2,010,000.00		2,010,000.00	0.85%	333.39

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2016
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Jamesburg	-	100.00%	
County of Middlesex	735,109,645.00	0.42%	3,116,864.89
Subtotal, overlapping debt			3,116,864.89
Jamesburg School District Direct Debt		100.00%	2,370,000.00
Total direct and overlapping debt			<u><u>\$5,486,864.89</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex County Board of Taxation.
 Debt outstanding data provided by each governmental unit.

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

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

Jamesburg School District
 Legal Debt Margin Information,
 Last Eight Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016:

Equalized valuation basis	
2015	\$432,267,874.00
2014	442,687,017.00
2013	431,143,354.00
[A]	<u>\$1,306,098,245.00</u>
[A/3]	\$435,366,081.67
[B]	17,414,643.27 ^a
[C]	<u>2,010,000.00</u>
[B-C]	<u>\$15,404,643.27</u>

Average equalized valuation of taxable property

2009	2010	2011	2012	2013	2014	2015	2016
\$21,765,808.00	\$21,962,475.00	\$21,517,694.00	\$21,049,949.00	\$19,831,969.00	\$18,850,133.13	\$17,717,625.85	\$17,414,643.27
4,385,000.00	4,140,000.00	3,835,000.00	3,515,000.00	3,185,000.00	2,840,000.00	2,370,000.00	2,010,000.00
<u>\$17,380,808.00</u>	<u>\$17,822,475.00</u>	<u>\$17,682,694.00</u>	<u>\$17,534,949.00</u>	<u>\$16,646,969.00</u>	<u>\$16,010,133.13</u>	<u>\$15,347,625.85</u>	<u>\$15,404,643.27</u>

Fiscal Year

Debt limit	20.15%	18.85%	17.82%	16.70%	16.06%	15.07%	13.38%	11.54%
Total net debt applicable to limit								
Legal debt margin								

Total net debt applicable to the limit as a percentage of debt limit

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Demographic and Economic Information

Jamesburg School District
Demographic and Economic Statistics
Last Eight Fiscal Years
Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2009	6,366	\$ 291,747,414.00	\$ 45,829.00	5.50%
2010	5,880	308,458,164.00	46,572.00	8.60%
2011	5,908	301,887,070.00	48,883.00	8.60%
2012	5,948	287,026,688.00	50,261.00	8.30%
2013	5,975	300,345,325.00	50,267.00	8.50%
2014	6,010	315,452,880.00	52,488.00	10.50%
2015	6,029	N/A	N/A	5.40%
2016	N/A	N/A	N/A	N/A

Source: ^a Population information provided by the US Bureau of the Census, Population Division - Estimates.
^b Personal income has been estimated based upon the municipal population and per capita personal income presented.
^c Per capita personal income represents County of Middlesex provided by NJ Department of Labor and Workforce Development through 2014.
^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A At the time of CAFR completion, this data was not yet available

Jamesburg School District
Principal Employers,
Current Year and Ten Years Ago
Unaudited

Employer	2016		2005		Percentage of Total Municipal Employment
	Employees	Rank [Optional]	Employees	Rank [Optional]	
N/A		N/A		N/A	
	-		-		N/A

Number of employees are estimated.

Source: Middlesex County Economic Development Corporation and other sources.

N/A - At the time of CAFR completion, this data was not available.

Operating Information

Jamesburg School District
 Full-time Equivalent District Employees by Function/Program,
 Last Eight Fiscal Years
 Unaudited

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016
Instruction								
Regular	45.0	43.0	39.0	41.0	41.0	41.4	40.1	42.9
Special education	22.0	24.0	21.0	24.0	24.0	23.0	11.5	10.0
Other instruction								
Support Services:								
Student & instruction related services	9.0	9.0	7.0	6.0	6.0	7.0	6.0	5.3
General administration	2.0	2.0	2.0	2.5	2.5	1.0	1.5	2.3
School administrative services	3.0	3.0	3.0	2.5	2.5	5.8	5.3	5.3
Business and other support services								
Central services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Plant operations and maintenance	6.0	6.0	6.0	7.0	7.0	6.0	7.0	7.0
Food Service						1.5	1.5	1.5
Child Care				6.0	6.0	6.0	6.0	6.0
Total	90.0	90.0	81.0	92.0	92.0	94.7	80.9	82.3

Source: District Personnel Records

Jamesburg School District
 Operating Statistics,
 Last Eight Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	620.0	\$11,835,830.00	19,090	9.38%	67.00	9.3:1	619.7	586.0	1.40%	94.57%
2010	621.0	12,192,214.00	19,633	2.85%	63.00	9.9:1	661.1	628.0	6.69%	94.99%
2011	660.0	11,524,098.00	17,461	-11.07%	60.00	11:01	656.0	619.0	-0.77%	94.36%
2012	637.0	12,106,061.00	19,005	8.84%	65.00	9.8:1	638.5	617.0	-2.67%	96.63%
2013	665.0	12,610,399.01	18,963	-0.22%	64.40	10.3:1	643.2	625.9	0.73%	97.31%
2014	667.0	13,334,615.97	19,992	5.43%	64.40	10.3:1	643.2	625.9	0.00%	97.31%
2015	663.0	13,484,473.15	20,339	7.25%	51.88	10.3:1	663.0	634.2	3.08%	95.66%
2016	668.0	13,449,766.06	20,134	0.71%	55.50	12:01	656.1	640.2	2.01%	97.58%

Sources: District records

Note: Enrollment based on annual October 15th on-roll count (pre-k-8)

- a Operating expenditures equal total expenditures less debt service and capital outlay (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security).
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollments include students in grades K-8, while Operating Expenditures include the Tuition costs to send the District's HS Students. Accordingly, the data presented does not portray the true costs to educate enrolled K-8 students. See the Schedule of Per Pupil Costs in the Auditor's Management Report for a calculation that excludes High School tuition costs from the basic cost of education for enrolled K-8 students

Jamesburg School District
 School Building Information
 Last Nine Fiscal Years
 Unaudited

<u>District Buildings</u>	2009	2010	2011	2012	2013	2014	2014	2015	2016
<u>Elementary</u>									
John F. Kennedy School									
Square Feet	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500	59,500
Capacity (students)	497	497	497	497	497	497	497	497	497
Enrollment	434	406	462	464	486	495	481	492	491
Grace M. Breckwedel School									
Square Feet	29,749	29,749	29,749	29,749	29,749	29,749	29,749	29,749	29,749
Capacity (students)	224	224	224	224	224	224	224	224	224
Enrollment	185	215	198	175	181	172	182	177	185

Number of Schools at June 30, 2016

- 1 Elementary School
- 1 Middle School

Source: District records

Jamesburg School District
 Schedule of Required Maintenance
 Last Eight Fiscal Years
 Unaudited

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

*School Facilities Project # (s)	John F. Kennedy	G.M. Breckwedel	Total
2009	46,701	31,113	77,814
2010	38,500	28,500	67,000
2011	116,808	50,060	166,868
2012	75,740	36,026	111,766
2013	31,660	10,629	42,289
2014	15,423	8,606	24,029
2015	51,642	35,729	87,371
2016	72,014	55,989	128,003
Total School Facilities	\$ 448,488	\$ 256,652	\$ 705,140

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

Source: District records

Jamesburg School District
 Insurance Schedule
 June 30, 2016
 Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property	\$18,234,090.00	\$5,000.00
Equipment Breakdown	100,000,000.00	
Comprehensive General Liability	11,000,000.00	
Comprehensive Automobile Liability	11,000,000.00	
Auto Physical Damage		1,000.00
Comprehensive Crime Liability	100,000.00	
Computers and Scheduled Equipment:		
Data Processing - Hardware/Software	480,000.00	
Workers Compensation	2,000,000.00	5,000.00
School Leaders Errors and Omissions	11,000,000.00	5,000.00
Public Official Bonds:		
Board Secretary	200,000.00	
Treasurer	200,000.00	

All policies are with the New Jersey School Boards Association Insurance Group, unless otherwise noted above.

Source: District Records

SINGLE AUDIT SECTION

SECTION – K

HODULIK & MORRISON, P.A.
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K-1

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MEMBERS OF:
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NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

**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

Honorable President and Members
of the Board of Education
Borough of Jamesburg School District
County of Middlesex, New Jersey

We have audited, 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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Jamesburg School District, in the County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the district's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted other matters involving compliance and internal control over financial reporting that we have reported to the Board of Education of the Borough of Jamesburg School District in a separate *Auditors' Management Report on Administrative Findings* dated November 18, 2016.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
November 18, 2016

HODULIK & MORRISON, P.A.
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NEW JERSEY SOCIETY OF CPA'S
REGISTERED MUNICIPAL ACCOUNTANTS OF N.J.

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

Honorable President and Members
of the Board of Education
Borough of Jamesburg School District
County of Middlesex, New Jersey

Report on Compliance for Each Major Program

We have audited the compliance of the Borough of Jamesburg School District, in the County of Middlesex, State of New Jersey, with the types of compliance requirements described in the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of Borough of Jamesburg School District's major state programs for the year ended June 30, 2016. The Borough of Jamesburg School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on each Major State Program

In our opinion, the Borough of Jamesburg School District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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 upon the requirements of NJOMB Circular 15-08. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
November 18, 2016

**JAMESBURG SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NO.	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2015		CASH RECEIVED	BUDGETARY EXPENDITURES	DEFERRED REVENUE/ (ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2016	
				GAAP (ACCOUNTS RECEIVABLE)	BUDGETARY (RECEIVABLE)				BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Special Education Categorical Aid	495-034-5120-089	7/1/14-6/30/15	\$ 546,529.00	\$ (54,065.00)	\$ 54,065.00	\$ 54,065.00	\$ (546,529.00)	\$ -	\$ -	\$ (546,529.00)
Special Education Categorical Aid	495-034-5120-089	7/1/15-6/30/16	546,529.00	(1,779.00)	491,410.00	1,779.00	(17,983.00)	(9,650.00)	(55,119.00)	(546,529.00)
Categorical Transportation Aid	495-034-5120-014	7/1/14-6/30/16	17,983.00	(413,765.00)	16,169.00	16,169.00	(17,983.00)	(1,814.00)	(1,814.00)	(17,983.00)
Equalization Aid	495-045-5120-078	7/1/14-6/30/15	4,182,690.00		413,765.00	413,765.00	(4,182,690.00)	(421,832.00)	(421,832.00)	(4,182,690.00)
Equalization Aid	495-045-5120-078	7/1/15-6/30/16	4,182,690.00		3,760,838.00	3,760,838.00	(4,182,690.00)	(9,650.00)	(9,650.00)	(4,182,690.00)
Categorical Security Aid	495-034-5120-084	7/1/14-6/30/15	95,682.00	(16,447.00)	86,032.00	86,032.00	(95,682.00)	(9,650.00)	(9,650.00)	(95,682.00)
Categorical Security Aid	495-034-5120-084	7/1/15-6/30/16	95,682.00	(938.00)	94,888.00	94,888.00	(166,255.00)	(16,767.00)	(16,767.00)	(166,255.00)
Under Adequacy Aid	495-034-5120-096	7/1/14-6/30/16	166,255.00		149,488.00	149,488.00	(9,480.00)	(956.00)	(956.00)	(9,480.00)
Under Adequacy Aid	495-034-5120-096	7/1/15-6/30/16	166,255.00	(938.00)	94,888.00	94,888.00	(9,480.00)	(956.00)	(956.00)	(9,480.00)
PARCC Readiness Aid	495-034-5120-098	7/1/14-6/30/15	9,480.00	(938.00)	938.00	938.00	(9,480.00)	(956.00)	(956.00)	(9,480.00)
PARCC Readiness Aid	495-034-5120-098	7/1/15-6/30/16	9,480.00	(938.00)	938.00	938.00	(9,480.00)	(956.00)	(956.00)	(9,480.00)
Per Pupil Growth Aid	495-034-5120-097	7/1/14-6/30/15	9,480.00	(146,705.00)	146,705.00	146,705.00	(135,777.00)	(6,873.00)	(135,777.00)	(135,777.00)
Per Pupil Growth Aid	495-034-5120-097	7/1/15-6/30/16	9,480.00	(4,825.00)	4,825.00	4,825.00	(6,873.00)	(6,873.00)	(6,873.00)	(6,873.00)
Extraordinary Aid	495-034-5120-473	7/1/14-6/30/15	146,705.00		8,524.00	8,524.00	(268,340.00)	-	-	(268,340.00)
Extraordinary Aid	495-034-5120-473	7/1/15-6/30/16	146,705.00	(4,825.00)	268,340.00	268,340.00	(335,435.00)	-	-	(335,435.00)
Nonpublic Transportation Cost Reimb.	495-034-5120-014	7/1/14-6/30/15	6,873.00		4,825.00	4,825.00	(268,340.00)	-	-	(268,340.00)
Nonpublic Transportation Cost Reimb.	495-034-5120-014	7/1/15-6/30/16	6,873.00	(4,825.00)	268,340.00	268,340.00	(335,435.00)	-	-	(335,435.00)
TPAF Pension Contributions	495-034-5095-002	7/1/14-6/30/15	268,340.00		335,435.00	335,435.00	(13,367.00)	(26,061.94)	(26,061.94)	(13,367.00)
TPAF Pension Contributions	495-034-5095-002	7/1/15-6/30/16	268,340.00	(50,759.45)	50,759.45	50,759.45	(265,607.43)	(26,061.94)	(26,061.94)	(265,607.43)
TPAF Post Ret. Medical Contr.	495-034-5094-001	7/1/14-6/30/15	335,435.00		13,367.00	13,367.00	(265,607.43)	-	-	(265,607.43)
TPAF Non-contributory Insurance	495-034-5094-004	7/1/14-6/30/15	13,367.00		262,581.36	262,581.36	(50,759.45)	-	-	(50,759.45)
TPAF Social Security Contrib.	495-034-5095-003	7/1/14-6/30/15	262,581.36		257,006.25	257,006.25	(642,871.00)	(32,934.94)	(642,871.00)	(6,053,498.43)
TPAF Social Security Contrib.	495-034-5095-003	7/1/15-6/30/16	257,006.25	(55,584.45)	6,077,378.94	6,077,378.94	(6,053,498.43)	(32,934.94)	(642,871.00)	(6,053,498.43)
Total General Fund										
Special Revenue Fund:										
Preschool Aid	495-034-5120-086	7/1/15-6/30/16	83,328.00	(6,770.00)	83,328.00	83,328.00	(83,328.00)	-	-	(83,328.00)
Preschool Aid	495-034-5120-086	7/1/14-6/30/15	67,704.00		6,770.00	6,770.00	-	-	-	-
Total Special Revenue Fund										
Capital Projects Fund:										
EDA Funding-JFK School HVAC Upgrades	2370-080-14-1003-G04	N/A	186,505.00				(186,505.00)		(186,505.00)	(186,505.00)
EDA Funding-JFK School Roof	2370-080-14-1004-G04	N/A	89,309.00				(89,309.00)		(89,309.00)	(89,309.00)
Total Capital Projects Fund										
Debt Service Fund:										
Debt Service Aid Type II	495-034-5120-075	7/1/15-6/30/16	117,876.00		117,876.00	117,876.00	(117,876.00)			(117,876.00)
Total Debt Service Fund										
Total Capital Projects Fund										
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Prog. (State Share)	495-010-3350-023	7/1/14-6/30/15	700.14	(700.14)	700.14	700.14	(3,758.96)	(637.07)	(637.07)	(3,758.96)
National School Lunch Prog. (State Share)	495-010-3350-023	7/1/15-6/30/16	3,758.96		3,121.89	3,121.89	(3,758.96)			(3,758.96)
Total Enterprise Fund										
Total State Financial Assistance										
			\$ 6,289,174.97	\$ (650,872.00)	\$ 6,289,174.97	\$ 6,289,174.97	\$ (6,534,275.39)	\$ (33,572.01)	\$ (918,685.00)	\$ (6,534,275.39)
Less:										
TPAF Non-contributory Insurance			\$ 13,367.00		\$ 13,367.00	\$ 13,367.00				
TPAF Post Retirement Medical			335,435.00		335,435.00	335,435.00				
TPAF Pension Contributions			268,340.00		268,340.00	268,340.00				
			\$ (5,917,133.39)		\$ (5,917,133.39)	\$ (5,917,133.39)				

Note: See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.
N/A - Not available/applicable.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of financial assistance is presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the NJOMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District did not allocate any indirect costs to any of its state financial assistance programs during the 2015-2016 school year.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

NOTES TO THE SCHEDULES OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2016

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

The District is the recipient of two School Development Authority (SDA) grants to assist the District in maintaining and upgrading its buildings and grounds. Revenues from these grants is recognized in the financial statements (budgetary and modified accrual) at the point when the District completes the requisite reporting package and files for reimbursements. For purposes of preparing the Schedule of Expenditures of State Financial Assistance, expenditures and budgetary basis revenue/receivables are recognized in the proportions of current year expenditures as specified in the Final Eligible Cost (FEC) certification provided by the SDA. At June 30, 2016 a total of \$275,814 has been reported as expenditures of state financial assistance for which a corresponding entry to recognize revenues in the financial statements has not been made, pending completion of documentation and filing for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$642,871 for the general fund and \$-0- for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -0-	\$6,054,729	\$6,054,729
Special Revenue Fund	438,645	90,098	528,743
Capital Projects Fund		-0-	-0-
Debt Service Fund		117,876	117,876
Food Service Fund	<u>222,790</u>	<u>3,759</u>	<u>226,549</u>
Total Awards & Financial Assistance	<u>\$ 661,435</u>	<u>\$6,266,462</u>	<u>\$6,927,897</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Non-contributory Insurance and Post Retirement Medical represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

State Awards

Dollar threshold used to distinguish between Type A and B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X Yes No

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

Internal Control over major programs:

1) Material weakness(es) identified? Yes X No

2) Significant Deficiency(s) identified that are not considered to be material weaknesses? Yes X No

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 Yes X No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-078</u>	<u>State Aid Cluster</u>
<u>16-495-034-5120-089</u>	<u>Equalization Aid</u>
<u>16-495-034-5120-084</u>	<u>Categorical Special Education Aid</u>
<u>15-495-034-5120-096</u>	<u>Categorical Security Aid</u>
<u>16-495-034-5120-097</u>	<u>Under Adequacy Aid</u>
<u>16-495-034-5120-098</u>	<u>Per Pupil Growth Aid</u>
<u>16-495-034-5095-003</u>	<u>PARCC Readiness Aid</u>
<u> </u>	<u>TPAF Social Security</u>

BOROUGH OF JAMESBURG SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section II - Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the general-purpose financial statements that are required to be reported in accordance with chapter 5.18 of *Governmental Auditing Standards*.

Significant Deficiency(ies)/Material Weaknesses

None Noted.

Noncompliance

None Noted.

Section III - Federal Awards and 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 federal and state programs, as required by OMB Uniform Guidance and New Jersey OMB circular 15-08.

Federal and State Award Programs:

Significant Deficiency(ies)/Material Weaknesses

None Noted.

Noncompliance

None Noted.

BOROUGH OF JAMESBURG SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I – Summary of Prior Year Federal and State Findings

N/A

Section II – Current Year Status

N/A