

**SCHOOL DISTRICT OF LOGAN TOWNSHIP**

**LOGAN BOARD OF EDUCATION**

Logan Township, New Jersey

County of Gloucester

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**LOGAN TOWNSHIP, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Logan Township Board of Education  
Business Office**



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**INTRODUCTORY SECTION**

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# Logan Township School District

*Patricia L. Haney*  
*Superintendent of Schools*

*Janine M. Wechter, CPA*  
*School Business Administrator*

November 22, 2016

Honorable President and  
Members of the Board of Education  
Logan Township School District  
County of Gloucester  
Logan Township, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Logan Township School District (District) for fiscal year ending June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Business Office of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. Reporting Entity and Its Services**

Logan Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Logan Township School District is a Pre-K - 12 School District operating 2 school buildings (an Early Childhood Educational Center serving grades Pre-Kindergarten to 1; an Elementary School serving grades 2 to 5 and a Middle School serving grades 6 to 8) while maintaining a sending relationship with the near-by Kingsway Regional High School District to accept students grades 9 to 12 on a tuition basis. Each school has its own school principal who serves as an instructional leader to staff and students. Approximately 20 % of the district high school residents attend Gloucester County Institute of Technology for their high school education.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These services include regular, as well as special education for gifted and handicapped students. The District completed the 2015-2016 fiscal year with an enrollment of 850 in-house elementary students. Continuation of the expanded preschool program for future years has been dependent on parent tuition and the District investment. Each year, the Board of Education has continued to partially support the Pre-Kindergarten program which allows more at-risk Pre-Kindergarten students to be educated in an inclusive environment. The following details the changes in the student enrollment of the District over the last five years.

**Average Daily Enrollment**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	849.4	1.98%
2014-15	832.9	(0.63%)
2013-14	838.9	0.08%
2012-13	838.2	(4.66%)
2011-12	879.0	0.56%

Our average enrollment over the past four years is 847.7 resident students attending in-district grades pre-K to 8.

**2. Economic Condition and Outlook**

Three large industrial parks are located in Logan Township. The Logistic Center at Logan comprises 1,100 acres and the Pureland Industrial Complex covers 3,000 acres. The third industrial park, the Commodore Business Center, is located along the Rt. 322 industrial corridor partially in Logan Township and partially in adjacent Woolwich Township. Pureland Industrial Park is the largest industrial park in the state and has been hailed as the top "ultra-successful" business park in the U.S. according to Site Selection magazine. The Logan Township population has increased from 3,078 in 1980 to 5,983 in 2015.

For the 2013-14 school year, a re-valuation of the Township’s property was completed and is reflected below. It is important to note that while the ratables increase, the tax rate drops due to the fact that the amount the municipality must raise is not changing. The new assessments are simply a foundation used to apportion the tax burden among taxpayers. Therefore, while a revaluation usually means an increase in each assessment, it does mean that taxes will increase for each individual taxpayer. Since then, ratables have increased \$3,372,471.

- 2012 - \$614,301,549
- 2013 - \$1,048,963,089
- 2014 - \$1,045,919,769
- 2015 - \$1,033,308,512
- 2016 - \$1,052,335,560

It seems as if the total number of students who are in poverty (as identified by the Free and Reduced Lunch applications received in district) has been reduced by 17.7% over the past year. If this trend continues over the next few years, we see promising times for the future district and township. (See chart below).

<u>Fiscal Year</u>	<u>Total Free &amp; Reduced</u>	<u>Percentage of Population who are Free &amp; Reduced</u>
2016-17	135	15.9%
2015-16	164	19.5%
2014-15	167	19.9%
2013-14	178	21.04%
2012-13	172	20.5%
2011-12	177	20.5%
2010-11	153	17.6%
2009-10	141	15.6%
2008-09	127	14.1%
2007-08	116	13.2%

**3. Major Initiatives**

Logan Township is an innovative school district, which places a priority on excellence, equity and student growth. To this end, technology tools are used to enhance student learning. Our District has a one-on-one digital device (presently Chromebooks) initiative for all students in grades 2 to 8. In addition to this, there are a variety of devices (including iPads and Chromebooks) available to our students in Pre-K, Kindergarten and First Grade for daily use in the classroom. Besides these resources, the district has dedicated 3.7 district staff members to provide support for the various technology needs (both in the classroom and in school and district offices) to maintain a 21<sup>st</sup> century technology-centric environment. Technology Education (S.T.E.M./Science, Technology, Engineering and Mathematics) is provided for all students in grades 3 to 8. A pre-engineering class is offered before and after school to seventh and eighth grade students who meet district criteria. Eighth grade students who meet district criteria in math, also have the opportunity to enroll in Algebra I. All students in grades 1 to 7 have weekly World Language (Spanish or Italian) instruction. Eighth grade students have the option to take a full year of Spanish I or Italian I, if they meet certain academic criteria. After school programs and clubs provide opportunities to participate in drama, choir, dance, art, board games, athletics, and many other extra-curricular areas. Performing Arts activities provide opportunities for students to share their particular talent. As our schools are centered in a culturally diverse community, our faculty is dedicated to ensuring equitable access to all students in each of these programs.

The District strives to remain on the cutting edge in the area of technology in order that our students have the proper technological skills that are required in the 21<sup>st</sup> century workplace environment. There is a newly-revised Three-Year Technology Plan for Digital Learning for 2016 to 2019 for each of the three schools, which places a heavy emphasis on using technology for teaching, learning and assessments. This plan was developed as a result of a tech survey distributed to all district parents and teachers and to students in grades 5 to 8. Logan Township School District is committed to providing an infrastructure, which supports the ever-growing integration of technology to increase effectiveness and efficiency. Over the past several years, with the addition of a full-time Instructional Technology Coordinator and a full-time Curriculum Supervisor to our staff, there is on-going communication and coordination in district to fully integrate technology into daily instruction and usage, thus mirroring tomorrow’s work environment.

The District continues to be a leader in placing a strong emphasis on pre-school education. A state grant has been used over the past ten years to serve the at-risk population. In 2010, the District was able to utilize ARRA Federal Stimulus Funds to expand the pre-school program to provide a more inclusive educational environment. Continuation of the pre-school program in the future continues to be dependent on the on-going commitment of the Board of Education, on State pre-school aid and or tuition from parents.

The District continues to be proactive in addressing building maintenance issues. Many components of the Five-Year Facility Maintenance Plan have been addressed. These include upgrades to the security cameras to include new placements in corridors and additional placements around the exterior of the Logan Schools building and Center Square School and various safety upgrades to the physical plant on both campuses. Energy-cost savings initiatives include changes to the lighting in several large group areas and hallways in both district buildings. The District was successful in their application for four R.O.D. (Regular Operating District) Grants which, include replacing Logan School's cooling tower (completed in the Fall 2014) the addition of an HVAC cooling system to the gymnasium (completion in Summer 2015), replacing the boiler (completion in Fall 2015) and replacing exterior doors at the Logan Schools building (completed in the Fall 2015).

District curricula are continually being revised by teams of teachers, under the direction of the District Curriculum Supervisor, because the district is committed to maintaining alignment to the New Jersey Student Learning Standards and to the Next Generation Science Standards (NGSS). A continuous upgrading of instructional resources and teacher training, provided as a result of the partnership of the Supervisor of Curriculum and the three schools' principals, succeed in focusing the teaching and learning on the State's Standards. Focus continues to be on implementing the Marzano Causal Framework for Teaching and Learning as the foundation for the successful implementation of the Marzano Teacher and Principal Evaluation Systems.

Professional Learning Opportunities are carefully planned and executed. A professional development plan for each school is prepared and followed annually in accordance with state regulations. Training in the various elements of the Marzano evaluation model, on the ever-changing technology world and on development of assessments which inform instruction are several foci of professional learning opportunities. In addition, a comprehensive mentor plan outlines services and support provided to teachers new to the profession. Both of these plans have been created with input from each school's SCIP (School Improvement Panel).

#### **4. Internal Accounting Controls**

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance 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**

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

## **7. Debt Administration**

The district took advantage of low interest rates in April 2005 and refinanced the callable bonds from July 1999. On April 28, 2005, the District sold \$4,840,000 of general obligation bonds dated April 28, 2005, which have annual maturities to July 15, 2018. Of these bonds, \$1,630,000 was outstanding at June 30, 2016.

## **8. Cash Management**

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

## **9. Risk Management**

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard, and theft insurance on property and contents, fidelity Bonds and Student/Volunteer Accident Insurance.

## **10. Other Information**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

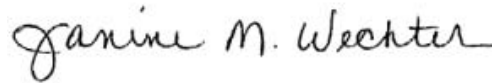
**11. Acknowledgments**

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

Respectfully submitted,



Patricia L. Haney  
Superintendent



Janine M. Wechter  
School Business Administrator



**LOGAN TOWNSHIP BOARD OF EDUCATION**

**SUPERINTENDENT**

- Administrative Assistant
- Board Secretary
- District Secretary

- School Solicitor
- School Auditor
- Treasurer of School Moneys

**SUPV. STUDENT SERVICES**

- Child Study Team
- Speech
- Gifted & Talented
- E.L.L.
- Instructional Aides
- One-on-One Aides
- Secretary

**PRINCIPALS**

- Basic Skills
- Information Technology Mgr.
- Assistant ITM
- Technology Coach
- School Physician
- Nurse(s) & Aide
- Secretaries
- District Secretary

**FACILITIES MANAGER**

- Counselors
- School Area Coordinators
- Maintenance Supervisor
- Custodians
- Bus Coordinator

**BUSINESS ADMINISTRATOR**

- Administrative Assistant
- Cafeteria Manager
- Cafeteria Staff

**Teachers**

- Classroom Aides

**LOGAN TOWNSHIP BOARD OF EDUCATION**  
110 School Lane  
Logan Township, New Jersey 08085

**ROSTER OF OFFICIALS**

**June 30, 2016**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Francis E. Donnelly, Preseident	2018
Carolyn W. Kegler, Vice President	2018
Kristen Lombardo	2018
John Russell	2016
LynNae Hill	2016
Kelley Mason	2016
Brian Bowen	2017
Nathan DeForest	2017
Shawn Donnelly	2017

**OTHER OFFICIALS**

Patricia L. Haney, Superintendent

Janine M. Wechter, Business Administrator

Lisa Toff, Board Secretary

Robert L. Best, Treasurer

Joseph F. Betley, Esq., Solicitor

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LOGAN TOWNSHIP, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Michael Holt, CPA, PSA  
Holman Frenia Allison, P.C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Joseph F. Betley, Esq.  
Capehart & Scatchard  
9000 Midlantic Drive, Suite 300  
P.O. Box 5054  
Mount Laurel, New Jersey 08054-1539

**FISCAL AGENT**

US Bank  
Corporate Trust Services  
EP-MN-WS3W  
60 Livingston Avenue  
St. Paul, Minnesota 55107

**OFFICIAL DEPOSITORY**

Fulton Bank of NJ  
22 Village Center Drive  
Swedesboro, New Jersey 0805

**FINANCIAL ADVISOR**

Capital Financial Advisors, Inc.  
Robbi Acampora  
8000 Midlantic Drive, Suite 110S  
Mt. Laurel, New Jersey 08054

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township Board of Education, County of Gloucester, 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, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions, 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 Logan Township Board of Education's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying



combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the Logan Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Logan Township Board of Education's internal control over financial reporting and compliance

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
November 22, 2016

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year ended June 30, 2016**

**UNAUDITED**

The discussion and analysis of Logan Township Board of Education annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

**Financial Highlights**

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

- ◆ General revenues accounted for \$18,039,884 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for \$4,069,686 of total revenues of \$22,108,761.
- ◆ Total net position of governmental activities was \$9,223,018. Net Assets increase by \$117,781 from July 1, 2015 to June 30, 2016.
- ◆ The General Fund fund balance at June 30, 2016 is \$3,190,295, a decrease of \$19,593 when compared with the beginning balance at July 1, 2015 of \$3,209,888.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused sick leave).

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

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

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** The District maintains one proprietary fund type. The *food service fund* has historically operated as an *enterprise fund* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the district as a whole.
- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

The District uses an agency fund to account for resources held for student activities and groups.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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

**Table 1**  
**Net Position**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other assets	3,689,406	140,833	3,830,239	4,046,013	115,825	4,161,838
Capital assets	10,414,537	7,271	10,421,808	10,543,244	12,291	10,555,535
<b>Total Assets</b>	<b>14,103,943</b>	<b>148,104</b>	<b>14,252,047</b>	<b>14,589,257</b>	<b>128,116</b>	<b>14,717,373</b>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows Related to Pensions	711,281		711,281	227,817		227,817
<b>Total Deferred Outflows of Resources</b>	<b>711,281</b>		<b>711,281</b>	<b>227,817</b>		<b>227,817</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>14,815,224</b>	<b>148,104</b>	<b>14,963,328</b>	<b>14,817,074</b>	<b>128,116</b>	<b>14,945,190</b>
<b>Liabilities</b>						
Current and other liabilities	253,313	21,239	274,552	567,456	24,678	592,134
Long-term liabilities	5,274,178		5,274,178	4,984,778		4,984,778
<b>Total liabilities</b>	<b>5,527,491</b>	<b>21,239</b>	<b>5,548,730</b>	<b>5,552,234</b>	<b>24,678</b>	<b>5,576,912</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows Related to Pensions	53,906		53,906	148,794		148,794
<b>Total Deferred Inflows of Resources</b>	<b>53,906</b>		<b>53,906</b>	<b>148,794</b>		<b>148,794</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,581,397</b>	<b>21,239</b>	<b>5,602,636</b>	<b>5,701,028</b>	<b>24,678</b>	<b>5,725,706</b>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	8,758,023	7,271	8,765,294	10,797,610	12,291	10,809,901
Debt Service	(29,258)		(29,258)	(167,382)		(167,382)
Capital projects	277,877		277,877	439,681		439,681
Other purposes	3,229,476		3,229,476	3,316,185		3,316,185
Unrestricted	(3,002,291)	119,594	(2,882,697)	(5,270,048)	91,147	(5,178,901)
<b>Total Net Position</b>	<b>9,233,827</b>	<b>126,865</b>	<b>9,360,692</b>	<b>9,116,046</b>	<b>103,438</b>	<b>9,219,484</b>

Table 2 shows the changes in net position for fiscal year 2016.

**Table 2**  
**Changes in Net Position**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services:		\$ 202,096	\$ 202,096		\$ 191,758	\$ 191,758
Operating grants & contributions	\$ 3,763,201	104,389	3,867,590	\$ 3,104,705	115,745	120,374
General Revenues:						
Property Taxes	12,092,027		12,092,027	11,980,410		11,980,410
Grants & Entitlements	5,758,069		5,758,069	5,951,182		5,951,182
Miscellaneous	189,788		189,788	168,180		168,180
Total revenues	<u>21,803,085</u>	<u>306,485</u>	<u>22,109,570</u>	<u>21,204,477</u>	<u>307,503</u>	<u>21,511,980</u>
<b>Expenses:</b>						
Program Expenses:						
Instruction	6,749,917		6,749,917	6,390,654		6,390,654
Tuition	3,496,071		3,496,071	3,838,861		3,838,861
Student & Instruction Related Svcs	1,686,687		1,686,687	1,524,815		1,524,815
School Administration	261,465		261,465	314,592		314,592
General & Business Services	628,382		628,382	575,297		575,297
Plant Operations & Maintenance	1,546,971		1,546,971	1,466,792		1,466,792
Transportation	1,040,754		1,040,754	1,024,612		1,024,612
Unallocated Benefit Expenses	5,579,733		5,579,733	4,602,430		4,602,430
Interest on long-term liabilities	65,858		65,858	85,896		85,896
Unallocated Depreciation	629,466		629,466	595,871		595,871
Food Service		283,058	-		311,501	-
Total expenses	<u>21,685,304</u>	<u>283,058</u>	<u>21,968,362</u>	<u>20,419,820</u>	<u>311,501</u>	<u>20,731,321</u>
<b>Increase (Decrease) in net position</b>	<u>\$ 117,781</u>	<u>\$ 23,427</u>	<u>\$ 141,208</u>	<u>\$ 784,657</u>	<u>\$ (3,998)</u>	<u>\$ 780,659</u>

### Governmental Activities

Property taxes increased by \$111,617 which consisted of a 1% increase in the General Fund tax levy in the amount of 115,642 and a decrease in the Debt Service portion of the tax levy in the amount of 4,025. The District has been able to maintain current programs, and have also been able maintain our funding levels for technology upgrades, building and grounds maintenance as well as funding for new Curriculum and Assessment related resources and new technology devices. The District was able to add a new Special Education teacher and three Classroom Aides at the Elementary School, and a Reading Specialist and a BSI Math Instructor for the Middle School. In addition, a Part-Time Music Teacher was increased to Full Time in order to provide an Adaptive Music Program for our Special Needs Population and to provide Music classes for both pre-kindergarten classes. The District also increased its Part Time Business Administrator to Full Time in the 15-16 budget. This position was previously shared with another District. Finally, the 15-16 budget included various upgrades to our facilities and grounds as well as maintenance projects as we continue to make our facilities a priority in our budget. These projects included safety and security upgrades, lighting upgrades, a partial flooring replacement and a new poured in place surface at the Center Square School playground.

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grants. Table 3 shows, for government activities, the total cost and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.



**Table 3  
Government Activities**

	2016		2015	
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
Instruction	\$ 6,749,917	\$ 6,426,305	\$ 6,390,654	\$ 6,044,319
Tuition	3,496,071	3,496,071	3,838,861	3,838,861
Student & Instruction Related Svcs	1,686,687	1,632,357	1,524,815	1,488,979
School Administration	261,465	261,465	314,592	314,592
General Admin. & Business Svcs	628,382	628,382	575,297	575,297
Plant Operations & Maintenance	1,546,971	1,546,971	1,466,792	1,466,792
Pupil Transportation	1,040,754	1,040,754	1,024,612	1,024,612
Unallocated Benefit Expenses	5,579,733	2,195,283	4,602,430	1,879,896
Interest on long-term liabilities	65,858	65,858	85,896	85,896
Unallocated Depreciation	629,466	629,466	595,871	595,871
<b>Total Expenses</b>	<b>\$ 21,685,304</b>	<b>\$ 17,922,912</b>	<b>\$ 20,419,820</b>	<b>\$ 17,315,115</b>

From Schedule A-2

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

Tuition expenses include the cost of sending the District's students in grades 9 – 12 to Kingsway Regional High School, and all special education out of district placements.

Student & Instruction Related Services expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in effective working condition and maintaining the safety of all students and staff while on campus.

Pupil Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State Law.

Unallocated benefit expenses include the costs of providing health and welfare insurance programs for the school district staff as well as other fringe benefits.

Interest on long-term liabilities involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Unallocated depreciation is the depreciation expense of the District fixed assets.

## The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,932,106 and expenditures of \$20,112,694. The net change in fund balance was most significant in the general fund due to an increase of revenue over the prior year by \$339,193, while expenditures increased \$662,080.

## General Fund Budgeting Highlights

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

During the course of fiscal 2016 the School District amended its General Fund budget numerous times. Generally these amendments are a reallocation of resources to facilitate changes in spending priorities in the district. The district uses a school-based budgeting system designed to tightly control the total school budget but provide the flexibility for location management.

## Capital Assets and Debt Administration

### *Capital Assets*

At the end of fiscal 2016, the District had \$10,421,808 invested in land, buildings, and equipment; \$10,414,537 in governmental activities. Please refer to Note 6 in the Notes to the Financial Statements for additional detail.

**Table 4**  
**Capital Assets at June 30, 2016**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	115,872		115,872	115,872		115,872
Site Improvements	842,767		842,767	681,281		681,281
Construction in Progress	-		-	506,669		506,669
Buildings & Bldg. Improvements	20,627,912		20,627,912	19,814,515		19,814,515
Machinery and Equipment	1,923,005	166,999	2,090,004	1,877,793	166,999	2,044,792
Accumulated Depreciation	(13,095,019)	(159,728)	(13,254,747)	(12,452,886)	(154,708)	(12,607,594)
Total	10,414,537	7,271	10,421,808	10,543,244	12,291	10,555,535

### *Debt*

At June 30, 2016, the District had \$5,274,178 in debt outstanding; \$568,488 due within one year. Table 5 summarizes debt outstanding. Please refer to Note 7 in the Notes to the Financial Statements for additional detail.

**Table 5  
Outstanding Debt at June 30, 2016**

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Refunding bond issue 2005	1,630,000		1,630,000	2,160,000		2,160,000
Capital Leases	26,514		26,514	82,406		82,406
Net Pension Liability	3,352,766		3,352,766	2,496,772		2,496,772
Compensated Absences	264,898		264,898	245,600		245,600
<b>Total</b>	<b>5,274,178</b>	<b>-</b>	<b>5,274,178</b>	<b>4,984,778</b>	<b>-</b>	<b>4,984,778</b>

On April 15, 2002, the District issued \$7,630,000.00 general obligation bonds at 3.00 – 5.00 percent variable rates to refund the 1992 School Bonds. The final maturity of these bonds was July 15, 2014. The District realized a savings of approximately \$901,000 over the life of this refunding.

On April 20, 2005, the District issued \$4,840,000.00 general obligation bonds at 3.00-4.00 percent variable rates to refund the final 10 years on the 1999 School Bonds. The final maturity of these bonds is July 15, 2018. The District will realize a savings of approximately \$145,000.00 over the life of this refunding.

At June 30, 2016, the District’s overall legal debt margin was \$32,581,003. The District maintains an AAA bond rating.

**Current Financial Issues and Concerns**

- The Logan Township School District is financially stable at the present time. The District is proud of its community support of the public schools. The NJ Department of Education released Accountability Regulations in January 2009. These regulations established additional regulatory authority over district budgets by the Executive County Superintendent, established rules and regulations regarding district travel expenses, administrator compensation, budget preparation, excessive spending, district consolidation, etc.
- In early 2010, Governor Christie declared a Fiscal Crisis in the State of New Jersey, curtailing spending statewide. Shortly after that, the District saw an unprecedented reduction in state aid funding. The Logan Township School District was forced to reduce its budget for the fiscal year 2010 by over \$1 million, which was accomplished by reducing staff positions or work hours and benefits for seventeen staff members. Besides making these reductions in staffing and staffing hours, the district was able to achieve additional savings in tuition and transportation in fiscal year 2011 to help offset these cuts. Since then, state aid has been relatively flat; however, the district has been able to return some programs and staff to previous levels. The District has also been able to make deposits into capital and maintenance reserves and has continued to pay down long term debt, which has resulted in a decrease in taxes. In some years, the District has been able to keep the tax increase below the 2% tax levy cap. During the 15-16 school year the general fund tax increase was held to 1% of the previous year’s tax levy. The District was still able to budget sufficient funds to meet our District Goals as well as our Strategic Plan Goals, which drive our budget.
- A three-year labor agreement for teachers, aides, and custodians was unanimously approved by the District Board of Education and by the Logan Teacher Education Association (LTEA) and signed on April 14<sup>th</sup>, 2016 which extends until June 30<sup>th</sup>, 2019. The settlement with a 2.5% increase for each of the next three years is considered a reasonable settlement.

- The District routinely monitors the rules and regulations of the ESEA federal legislation to assess and ensure financial compliance.
- It is important that the District continues to be able to complete capital improvement projects. It is one of the Board of Education's goals and a budget priority to continue to upgrade and maintain the physical plants of the district. The Board, through the budget process, has deposited funds into its capital and maintenance reserves in previous years. The District was successful in their application for four R.O.D. (Regular Operating District) Grants which, included replacing Logan School's cooling tower (completed in the Fall 2014), the addition of an HVAC cooling system to the gymnasium at the Logan Schools building (completion in Summer 2015), replacing the boiler and replacing exterior doors at the Logan Schools building (both completed during 15-16).
- The District expects limited growth in enrollment over the next few years. The current schools' capacity is sufficient to accommodate this growth. There is a small tract of property, which has added approximately 78 new homes to the community (Hidden Creek) over the past few years. There were plans proposed to the township for the development of large parcels of farmland in the Repaupo area of the township. However, this project has never taken off. It may be years before this proposal, which would have significant impact upon the district, becomes viable.

In conclusion, the Logan Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Logan Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Logan Township School District, 110 School Lane, Logan Township, NJ 08085. Please visit our website at [www.logan.k12.nj.us](http://www.logan.k12.nj.us).

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
			JUNE 30, 2016
Cash & Cash Equivalents	\$ 2,370,946	\$ 114,028	\$ 2,484,974
Receivables, Net	652,773	19,035	671,808
Inventory	-	7,770	7,770
Restricted Assets:			
Capital Reserve Account - Cash	665,687	-	665,687
Capital Assets, Non-Depreciable (Note 6)	115,872	-	115,872
Capital Assets, Depreciable, Net (Note 6)	10,298,665	7,271	10,305,936
<b>Total Assets</b>	<b>14,103,943</b>	<b>148,104</b>	<b>14,252,047</b>
<b>DEFERED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	711,281	-	711,281
<b>Total Deferred Outflows of Resources</b>	<b>711,281</b>	<b>-</b>	<b>711,281</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>14,815,224</b>	<b>148,104</b>	<b>14,963,328</b>
<b>LIABILITIES</b>			
Accounts Payable	203,573	18,738	222,311
Accrued Interest on Debt	29,259	-	29,259
Prepaid Lunches	-	2,501	2,501
Unearned Revenue	20,481	-	20,481
Noncurrent Liabilities (Note 7):			
Due Within One Year	568,488	-	568,488
Due Beyond One Year	4,705,690	-	4,705,690
<b>Total Liabilities</b>	<b>5,527,491</b>	<b>21,239</b>	<b>5,548,730</b>
<b>DEFERED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	53,906	-	53,906
<b>Total Deferred Inflows of Resources</b>	<b>53,906</b>	<b>-</b>	<b>53,906</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,581,397</b>	<b>21,239</b>	<b>5,602,636</b>
<b>NET POSITION</b>			
Net Investments in Capital Assets	8,758,023	7,271	8,765,294
Restricted For:			
Debt Service	(29,258)	-	(29,258)
Capital Projects	277,877	-	277,877
Other Purposes	3,229,476	-	3,229,476
Unrestricted	(3,002,291)	119,594	(2,882,697)
<b>Total Net Position</b>	<b>\$ 9,233,827</b>	<b>\$ 126,865</b>	<b>\$ 9,360,692</b>

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				TOTALS JUNE 30, 2016
	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Governmental Activities:					
Instruction:					
Regular	\$ 5,471,789	\$ -	\$ 324,421	\$ (5,147,368)	\$ (5,147,368)
Special Education	839,769	-	-	(839,769)	(839,769)
Basic Skill/Remedial Instruction	390,573	-	-	(390,573)	(390,573)
Other Instruction	47,786	-	-	(47,786)	(47,786)
Support Services & Undistributed Costs:					
Tuition	3,496,071	-	-	(3,496,071)	(3,496,071)
Student & Instruction Related Services	1,686,687	-	54,330	(1,632,357)	(1,632,357)
School Administrative Services	261,465	-	-	(261,465)	(261,465)
General & Business Administrative Services	628,382	-	-	(628,382)	(628,382)
Plant Operations & Maintenance	1,546,971	-	-	(1,546,971)	(1,546,971)
Pupil Transportation	1,040,754	-	-	(1,040,754)	(1,040,754)
Unallocated Benefits	5,579,733	-	3,384,450	(2,195,283)	(2,195,283)
Interest and Charges on Long-Term Debt	65,858	-	-	(65,858)	(65,858)
Unallocated Depreciation	629,466	-	-	(629,466)	(629,466)
Total Governmental Activities	21,685,304	-	3,763,201	(17,922,103)	(17,922,103)

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS JUNE 30, 2016
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Business-Type Activities:						
Food Service	283,058	202,096	104,389	-	23,427	23,427
Total Business - Type Activities	283,058	202,096	104,389	-	23,427	23,427
Total Primary Government	21,968,362	202,096	3,867,590	(17,922,103)	23,427	(17,898,676)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				11,679,639	-	11,679,639
Taxes Levied for Debt Service				412,388	-	412,388
Federal & State Aid Not Restricted				5,648,602	-	5,648,602
SDA Grant Revenue				109,467	-	109,467
Tuition Received				179,302	-	179,302
Miscellaneous Income				23,153	-	23,153
Capital Asset Adjustment				(12,667)	-	(12,667)
Total General Revenues & Transfers				18,039,884	-	18,039,884
Change In Net Position				117,781	23,427	141,208
Net Position - Beginning				9,116,046	103,438	9,219,484
Net Position - Ending				\$ 9,233,827	\$ 126,865	\$ 9,360,692

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

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## B. Fund Financial Statements

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## Governmental Funds

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2016
<b>Assets:</b>					
Cash & Cash Equivalents	\$ 2,409,629	\$ -	\$ -	\$ 1	\$ 2,409,630
Receivables, Net	133,713	54,374	464,686	-	652,773
Due from Other Funds	186,809	-	-	-	186,809
Restricted Cash & Cash Equivalents	665,687	-	-	-	665,687
<b>Total Assets</b>	<b>\$ 3,395,838</b>	<b>\$ 54,374</b>	<b>\$ 464,686</b>	<b>\$ 1</b>	<b>\$ 3,914,899</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 38,684	\$ -	\$ -	\$ 38,684
Accounts Payable	185,843	17,484	-	-	203,327
Due to Other Funds	-	-	186,809	-	186,809
Intergovernmental Payable - Federal	-	246	-	-	246
Unearned Revenue	19,700	781	-	-	20,481
<b>Total Liabilities</b>	<b>205,543</b>	<b>57,195</b>	<b>186,809</b>	<b>-</b>	<b>449,547</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	264,757	-	-	-	264,757
Maintenance Reserve	400,930	-	-	-	400,930
Excess Surplus	1,257,354	-	-	-	1,257,354
Excess Surplus Designated for Subsequent Year's Expenditures	1,306,435	-	-	-	1,306,435
Capital Projects Fund	-	-	277,877	-	277,877
Debt Service Fund	-	-	-	1	1
<b>Unassigned Fund Balance:</b>					
General Fund	(39,181)	-	-	-	(39,181)
Special Revenue Fund	-	(2,821)	-	-	(2,821)
<b>Total Fund Balances</b>	<b>3,190,295</b>	<b>(2,821)</b>	<b>277,877</b>	<b>1</b>	<b>3,465,352</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 3,395,838</b>	<b>\$ 54,374</b>	<b>\$ 464,686</b>	<b>\$ 1</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$23,509,556 and the accumulated depreciation is \$13,095,019.

10,414,537

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

(5,274,178)

Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.

657,375

Accrued interest payable is recorded in the fund Financial Statements due to the fact that the payables are not due in the period.

(29,259)

Net position of Governmental Activities

\$ 9,233,827

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2016
Revenues:					
Local Sources:					
Local Tax Levy	\$ 11,679,639	\$ -	\$ -	\$ 412,388	\$ 12,092,027
Tuition Charges	179,302	-	-	-	179,302
Miscellaneous	23,153	12,219	-	-	35,372
Total Local Sources	11,882,094	12,219	-	412,388	12,306,701
State Sources	6,957,356	36,300	109,467	192,050	7,295,173
Federal Sources	-	330,232	-	-	330,232
Total Revenues	18,839,450	378,751	109,467	604,438	19,932,106
Expenditures:					
Current:					
Regular Instruction	5,148,177	323,612	-	-	5,471,789
Special Education Instruction	839,769	-	-	-	839,769
Basic Skills/Remedial - Instruction	390,573	-	-	-	390,573
Other Instruction	47,786	-	-	-	47,786
Support Services & Undistributed Costs:					
Tuition	3,496,071	-	-	-	3,496,071
Student & Instruction Related Services	1,688,249	54,330	-	-	1,742,579
School Administrative Services	261,465	-	-	-	261,465
General & Business Administrative Services	628,382	-	-	-	628,382
Plant Operations & Maintenance	1,546,971	-	-	-	1,546,971
Pupil Transportation	1,040,754	-	-	-	1,040,754
Unallocated Benefits	3,527,554	-	-	-	3,527,554
Capital Outlay	216,309	-	298,254	-	514,563
Debt Service:					
Principal	-	-	-	530,000	530,000
Interest & Other Charges	-	-	-	74,438	74,438
Total Expenditures	18,832,060	377,942	298,254	604,438	20,112,694
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	7,390	809	(188,787)	-	(180,588)
Other Financing Sources/(Uses):					
Operating Transfer In	-	-	26,983	-	26,983
Operating Transfer Out	(26,983)	-	-	-	(26,983)
Total Other Financing Sources & Uses	(26,983)	-	26,983	-	-
Net Change in Fund Balances	(19,593)	809	(161,804)	-	(180,588)
Fund Balance - July 1	3,209,888	(3,630)	439,681	1	3,645,940
Fund Balance - June 30	\$ 3,190,295	\$ (2,821)	\$ 277,877	\$ 1	\$ 3,465,352

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
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) \$ (180,588)

Amounts reported for governmental activities in the statement of activities (A-2) are different as follows:

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. The amount that exceeded capital outlays is as follows:

Depreciation Expense	\$ (629,466)	
Capital Asset Adjustment	(12,667)	
Capital Outlays	<u>513,426</u>	(128,707)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

PERS District Pension Contribution - 2015	128,407	
Unfunded TPAF Pension Expense	(1,883,646)	
State Share of Unfunded TPAF Pension Expense	1,883,646	
Pension Expense	<u>(277,642)</u>	(149,235)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Position and is not reported in the Statement of Activities.

Serial Bonds	530,000	
Capital Lease Payments	<u>55,892</u>	585,892

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.

Prior Year	38,976	
Current Year	<u>(29,259)</u>	9,717

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	245,600	
Current Year	<u>(264,898)</u>	(19,298)

Change in Net Position of Governmental Activities \$ 117,781

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

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## Proprietary Funds

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	JUNE 30, 2016
Current Assets:		
Cash & Cash Equivalents	\$ 114,028	\$ 114,028
Accounts Receivable	19,035	19,035
Inventories	7,770	7,770
Total Current Assets	140,833	140,833
Noncurrent Assets:		
Furniture, Machinery & Equipment	166,999	166,999
Less: Accumulated Depreciation	(159,728)	(159,728)
Total Noncurrent Assets	7,271	7,271
Total Assets	148,104	148,104
LIABILITIES		
Current Liabilities:		
Accounts Payable	18,738	18,738
Prepaid Lunches	2,501	2,501
Total Liabilities	21,239	21,239
NET POSITION		
Net Investments in Capital Assets	7,271	7,271
Unrestricted	119,594	119,594
Total Net Position	\$ 126,865	\$ 126,865

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 AS OF JUNE 30, 2016**

	BUSINESS-TYPE	
	ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	JUNE 30, 2016
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 141,893	\$ 141,893
Daily Sales - Nonreimbursable Programs	60,203	60,203
	<hr/>	<hr/>
Total Operating Revenues	202,096	202,096
	<hr/>	<hr/>
Operating Expenses:		
Salaries & Benefits	119,381	119,381
Supplies & Materials	24,621	24,621
Cost of Sales	118,842	118,842
Depreciation	5,020	5,020
Miscellaneous	15,194	15,194
	<hr/>	<hr/>
Total Operating Expenses	283,058	283,058
	<hr/>	<hr/>
Operating Income/(loss)	(80,962)	(80,962)
	<hr/>	<hr/>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	3,193	3,193
Federal Sources:		
National School Lunch Program	79,339	79,339
National School Breakfast Program	11,349	11,349
Food Distribution Program	10,326	10,326
Interest & Investment Revenue	182	182
	<hr/>	<hr/>
Total Nonoperating Revenues/(Expenses)	104,389	104,389
	<hr/>	<hr/>
Income/(Loss) Before Contributions & Transfers	23,427	23,427
	<hr/>	<hr/>
Change in Net Position	23,427	23,427
Total Net Position - Beginning	103,438	103,438
	<hr/>	<hr/>
Total Net Position - Ending	\$ 126,865	\$ 126,865
	<hr/> <hr/>	<hr/> <hr/>

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



**LOGAN TOWNSHIP BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
AS OF JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	JUNE 30, 2016
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 193,367	\$ 193,367
Payments to Employees	(119,381)	(119,381)
Payments to Suppliers	(148,331)	(148,331)
Net Cash Provided/(Used) by Operating Activities	(74,345)	(74,345)
Cash Flows From Noncapital Financing Activities:		
State & Federal Sources	93,881	93,881
Net Cash Provided/(Used) by Noncapital Financing Activities	93,881	93,881
Cash Flows From Investing Activities:		
Net Cash Provided/(Used) by Investing Activities	182	182
Net Cash Provided/(Used) by Investing Activities	182	182
Net Increase/(Decrease) in Cash & Cash Equivalents	19,718	19,718
Balances - Beginning of Year	94,310	94,310
Balances - End of Year	\$ 114,028	\$ 114,028

**Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:**

Operating Income/(Loss)	\$ (80,962)	\$ (80,962)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation & Net Amortization	5,020	5,020
Food Distribution Program	10,326	10,326
Changes in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	355	355
(Increase)/Decrease in Inventories	(5,645)	(5,645)
Increase/(Decrease) in Current Liabilities	(3,439)	(3,439)
Total Adjustments	6,617	6,617
Net Cash Provided/(Used) by Operating Activities	\$ (74,345)	\$ (74,345)

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

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Fiduciary Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

	<u>PRIVATE PURPOSE</u>				<u>TOTALS</u>	
	<u>UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>SCHOLARSHIP</u>	<u>AGENCY STUDENT ACTIVITY    PAYROLL</u>		<u>JUNE 30, 2016</u>	
ASSETS						
Cash & Cash Equivalents	\$ 46,024	\$ 6,436	\$ 30,007	\$ 212,796	\$ 295,263	
Total Assets	46,024	6,436	30,007	212,796	295,263	
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	208,976	208,976	
Due to Student Groups	-	-	30,007	-	30,007	
Flexible Spending	-	-	-	3,820	3,820	
Total Liabilities	-	-	30,007	212,796	242,803	
NET POSITION						
Held in Trust for Unemployment Claims	46,024	-	-	-	46,024	
Other Purposes	-	6,436	-	-	6,436	
Reserved for Scholarships	-	-	-	-	-	
Total Net Position	\$ 46,024	\$ 6,436	\$ -	\$ -	\$ 52,460	

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	JUNE 30, 2016
Local Sources:			
Transfer from Payroll Agency Account	\$ -	\$ 13,594	\$ 13,594
Investment Earnings:			
Interest	10	65	75
<b>Total Additions</b>	<b>10</b>	<b>13,659</b>	<b>13,669</b>
<b>DEDUCTIONS</b>			
Quarterly Contributions Reports	-	4,415	4,415
Scholarships Awarded	200	-	200
<b>Total Deductions</b>	<b>200</b>	<b>4,415</b>	<b>4,615</b>
Change in Net Position	(190)	9,244	9,054
Net Position - Beginning of the Year	6,626	36,780	43,406
<b>Net Position - End of the Year</b>	<b>\$ 6,436</b>	<b>\$ 46,024</b>	<b>\$ 52,460</b>

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

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Logan Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

#### **Reporting Entity**

The Logan Township Board of Education is a Type II district located in the County of Gloucester, 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 appointed to three-year terms. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Logan Township Board of Education has an approximate enrollment at June 30, 2016 of 850 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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

#### **Component Units**

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*. The District had no component units as of for the year ended June 30, 2016.

#### **Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **Note 1. Summary of Significant Accounting Policies (continued):**

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **Note 1. Summary of Significant Accounting Policies (continued):**

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

### **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund, School Store Fund, Little Pioneers Fund and Summer Camps Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District maintains a Transportation Consortium in the Internal Service Funds.

The District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and 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 sub-fund.

As required by the New Jersey 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**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).

**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.

The District reports the following major proprietary fund:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

#### **Budgets/Budgetary Control**

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 last state aid payment for budgetary purposes only and the 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.

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 reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Encumbrances**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

**Cash and Cash Equivalents**

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

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.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 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.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Site Improvements	20 Years
Building & Improvements	20-50 Years
Machinery and Equipment	5-20 Years

**Compensated Absences**

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.



# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Note 1. Summary of Significant Accounting Policies (continued):

#### Unearned Revenue

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

#### Accrued Liabilities and Long-Term Obligations

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

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

#### Net Position

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### Note 1. Summary of Significant Accounting Policies (continued):

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

#### Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### **Note 1. Summary of Significant Accounting Policies (continued):**

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

#### **Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

#### **Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 22, 2016, which is the date the financial statements were available to be issued.

**Pensions Section**

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 2. Cash and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District's bank balance of \$3,547,316 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 744,306
Collateralized by securities held by	
Pledging financial institution	2,486,565
Uninsured & Uncollateralized	<u>316,945</u>
Total	<u>\$3,547,316</u>

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 2. Cash Deposits and Investments (continued):**

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations - The District places no limit in the amount the District may invest in any one issuer

As of June 30, 2016, the District had no investments.

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the Logan Township Board of Education by inclusion of \$150,000 in the original 1995-96 annual capital budget, which was certified for taxes and 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 3. Reserve Accounts (continued):**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may 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 of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated 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 the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 291,054
Interest Earnings	686
Withdrawals	<u>(26,983)</u>
Ending Balance, June 30, 2016	<u>\$ 264,757</u>

**B. Maintenance Reserve**

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

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

Beginning Balance, July 1, 2015	\$ 399,983
Interest Earnings	947
Withdrawals, net	<u>-</u>
Ending Balance, June 30, 2016	<u>\$ 400,930</u>

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 133,713	\$ 53,565	\$ 464,686	\$ 19,035	\$ 670,999
Total	<u>\$ 133,713</u>	<u>\$ 53,565</u>	<u>\$ 464,686</u>	<u>\$ 19,035</u>	<u>\$ 670,999</u>

**Note 5. Transfers from Capital Outlay**

During the year ending June 30, 2016, the District transferred \$12,272 out of the capital outlay account.

**Note 6. Capital Assets**

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2016:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>June 30, 2016</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 115,872	\$ -	\$ -	\$ -	\$ 115,872
Construction in Progress	506,669	-	-	(506,669)	-
Total Non-Depreciable Assets	<u>622,541</u>	<u>-</u>	<u>-</u>	<u>(506,669)</u>	<u>115,872</u>
<u>Depreciable Assets</u>					
Land Improvements	681,281	-	-	161,486	842,767
Buildings	19,814,515	510,145	-	303,252	20,627,912
Machinery & Equipment	1,877,793	3,281	-	41,931	1,923,005
Subtotal	<u>22,996,130</u>	<u>513,426</u>	<u>-</u>	<u>-</u>	<u>23,509,556</u>
<u>Accumulated Depreciation</u>					
Land Improvements	(570,001)	(17,295)	-	(859)	(588,155)
Buildings	(10,617,317)	(515,742)	-	(12,792)	(11,145,851)
Machinery & Equipment	(1,265,568)	(96,429)	-	984	(1,361,013)
Total	<u>\$ 10,543,244</u>	<u>\$ (116,040)</u>	<u>\$ -</u>	<u>\$ (12,667)</u>	<u>\$ 10,414,537</u>



**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 6. Capital Assets (continued):**

The following is a summary of proprietary fund type fixed assets at June 30, 2016:

	June 30, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2015</u>
<u>Depreciable Assets</u>				
Equipment	\$ 166,999	\$ -	\$ -	\$ 166,999
Subtotal	166,999	-	-	166,999
<u>Accumulated Depreciation</u>				
Equipment	(154,708)	(5,020)	-	(159,728)
Total	\$ 12,291	\$ (5,020)	\$ -	\$ 7,271

**Note 7. Long-Term Obligations**

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term debt:

	June 30, <u>2015</u>	<u>Retired</u>	<u>Additions</u>	June 30, <u>2016</u>	Due Within <u>One Year</u>
General Obligations Bonds	\$ 2,160,000	\$ 530,000	\$ -	\$ 1,630,000	\$ 545,000
Capital Lease	82,406	55,892	-	26,514	23,488
Net Pension Liability	2,496,772	-	855,994	3,352,766	-
Compensated Absences Payable	245,600	-	19,298	264,898	-
Total Long-Term Obligations	\$ 4,984,778	\$ 585,892	\$ 875,292	\$ 5,274,178	\$ 568,488

Bonds and loans payable have been liquidated in the Debt Service Fund compensated absences have been liquidated in the General Fund.

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 7. Long-Term Obligations (continued):**

Principal and interest due on the 2002 Serial Bonds outstanding is as follows:

<b>Year-ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 545,000	\$ 53,619	\$ 598,619
2018	540,000	32,600	572,600
2019	545,000	10,900	555,900
Total	\$ 1,630,000	\$ 97,119	\$ 1,727,119

**Capital Lease Payable**

As of June 30, 2016, the District had two capital leases outstanding for the acquisition of equipment in the amount of \$28,115.

The following is a schedule of the future minimum lease payments under this lease and present value of the net minimum lease payments at June 30, 2016:

<b>Year-ending June 30,</b>	
2017	\$ 24,934
2018	<u>3,181</u>
Total Minimum Lease Payments	28,115
Less: Amount Representing Interest	<u>(1,601)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 26,514</u>

**Note 8. Pension Plans**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

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 2, 2008
3	Members who were eligible to enroll 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 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.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 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 employers 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 those retirement systems, 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 128,407	100%	\$ 3,352,766
6/30/2015	109,936	100%	2,496,772
6/30/2014	99,505	100%	2,523,941

**Components of Pension Liability** - At June 30, 2016, the District reported a liability of \$3,352,766 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.01494% percent, which was an increase of 0.00160% from its proportion measured as of June 30, 2014.

	<u>6/30/2016</u> July 1, 2015	<u>6/30/2015</u> July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 711,281	\$ 227,817
Deferred Inflows of Resources	\$ 53,906	\$ 148,794
Net Pension Liability	\$ 3,352,766	\$ 2,496,772
District's portion of the Plan's total net pension Liability	0.01494%	0.01334%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2016, the District recognized pension expense of \$277,642. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 360,060	\$ -
Net difference between expected and actual experience	79,985	-
Net difference between projected and actual earnings on pension plan investments	-	53,906
Changes in proportion and differences between District contributions and proportionate share of contributions	271,236	-
Total	\$ 711,281	\$ 53,906

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	129,242
2018	129,242
2019	129,242
2020	166,440
2021	103,210
Thereafter	-

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

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.

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 experience 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.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's 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%	5.21%
Total	100.00%	

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on 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 municipals 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 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 the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 4,167,078	\$ 3,352,766	\$ 2,670,053

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.



**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions  
(Paid on behalf of the District)**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2016	\$ 1,023,122	100%	-
6/30/2015	852,080	100%	-
6/30/2014	687,699	100%	-

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

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

**Long-Term Expected Rate of Return** - 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:

<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 Equity Market	27.25%	5.63%
Foreign-Developed Equity	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%
Total	<u>100%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on 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 municipals 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-

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 8. Pension Obligations (continued):**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued):**

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.

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**Defined Contribution Retirement Plan (DCRP)** – The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$16,381, and the District recognized pension expense of \$28,443.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

**Note 9. Post-Retirement Benefits**

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

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

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Note 10. Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund their 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 School District contributions, employee contributions and reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2015-2016	\$ 65	\$13,594	\$ 4,415	\$46,024
2014-2015	4	13,265	862	36,780
2013-2014	3	10,602	4,896	24,373

**Joint Insurance Fund** – The Township of Logan School District participates in the School Alliance Insurance Fund (SAIF), which was formed in 1996. SAIF is a Joint Insurance Fund organized under New Jersey law and is regulated by the New Jersey Department of Banking and Insurance. The Fund provides its members with the following coverage’s:

- Property – Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Workers’ Compensation
- School Board Legal Liability
- Crime Coverage
- Pollution

**Note 11. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### **Note 12. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

#### **Note 13. Fund Balance Disclosures**

**General Fund (Exhibit B-1)** – Of the \$3,190,295 General Fund balance at June 30, 2016; \$400,930 has been restricted for Maintenance Reserve; \$264,757 has been restricted for Capital Reserve; \$1,306,435 has been restricted as excess surplus and has been appropriated and included as anticipated revenue for year ending June 30, 2017; \$1,257,354 has been restricted for excess surplus and \$(39,181) is unassigned.

**Capital Projects Fund (Exhibit B-1)** – The Fund Balance of the \$277,877 has been restricted for the Capital Projects Fund.

**Debt Service Fund (Exhibit B-1)** – The fund balance of \$1 has been restricted for the Debt Service Fund.

#### **Note 14. Deferred Compensation**

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

AXA Equitable                      ING Financial Services

#### **Note 15. 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$264,898.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

#### **Note 15. Compensated Absences (continued):**

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 proprietary fund types.

#### **Note 16. 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 Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict 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 is \$1,257,354.

#### **Note 17. Deficit Fund Balance**

The District has a deficit unassigned fund balance of \$(39,181) in the General Fund and \$(2,821) in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment, the General Fund and Special Revenue Fund balance deficits does not alone indicate that the district is facing financial difficulties.

#### **Note 18. Deficit Net Position**

**Unrestricted Net Position** - As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(3,002,291) existed as of June 30, 2016 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**Restricted Net Position** – The School District had a deficit in restricted net position for Debt Service in the amount of (\$29,258) at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>					
<b>Local Sources:</b>					
10-1210-000-000	\$ 11,679,639	\$ -	\$ 11,679,639	\$ 11,679,639	\$ -
10-1310-000-000	80,000	-	80,000	91,125	11,125
10-1320-000-000	48,000	-	48,000	78,177	30,177
10-1340-000-000	-	-	-	10,000	10,000
10-1000-000-000	125	-	125	686	561
10-1000-000-000	250	-	250	948	698
10-1000-000-000	10,000	-	10,000	21,519	11,519
<b>Total Local Sources</b>	<b>11,818,014</b>	<b>-</b>	<b>11,818,014</b>	<b>11,882,094</b>	<b>64,080</b>
<b>State Sources:</b>					
10-3000-000-000	-	-	-	51,057	51,057
10-3200-000-000	-	-	-	14,601	14,601
10-3116-000-000	42,488	-	42,488	42,488	-
10-3132-000-000	633,953	-	633,953	633,953	-
10-3176-000-000	3,990,950	-	3,990,950	3,990,950	-
10-3177-000-000	101,621	-	101,621	101,621	-
10-3121-000-000	384,544	-	384,544	384,544	-
10-3178-000-000	220,299	-	220,299	220,299	-
10-3178-000-000	10,620	-	10,620	10,620	-
10-3178-000-000	10,620	-	10,620	10,620	-
10-3178-000-000	-	-	-	4,662	4,662
10-3178-000-000	-	-	-	467,024	467,024
10-3178-000-000	-	-	-	556,098	556,098
10-3178-000-000	-	-	-	477,682	477,682
<b>Total State Sources</b>	<b>5,395,095</b>	<b>-</b>	<b>5,395,095</b>	<b>6,966,219</b>	<b>1,571,124</b>
<b>Total Revenues</b>	<b>17,213,109</b>	<b>-</b>	<b>17,213,109</b>	<b>18,848,313</b>	<b>1,635,204</b>
<b>Expenditures:</b>					
<b>Current Expense:</b>					
<b>Instruction - Regular Programs:</b>					
<b>Salaries of Teachers:</b>					
11-105-100-101	80,547	(18)	80,529	79,444	1,085
11-110-100-101	424,083	-	424,083	420,832	3,251
11-120-100-101	2,049,856	(1,304)	2,048,552	2,010,757	37,795
11-130-100-101	1,752,503	(11,649)	1,740,854	1,731,506	9,348

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	VARIANCE FINAL TO ACTUAL (FAVORABLE/ UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Instruction - Regular Programs:</b>						
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	2,000	(970)	1,030	1,013	17
Purchased Professional - Educational Services	11-150-100-320	2,500	2,325	4,825	4,825	-
Other Purchased Services	11-150-100-500	50	(50)	-	-	-
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	122,728	1,503	124,231	122,472	1,759
Purchased Professional - Educational Services	11-190-100-320	164,968	(45,789)	119,179	80,965	38,214
Purchased Technical Services	11-190-100-340	79,547	-	79,547	66,738	12,809
Other Purchased Services	11-190-100-500	268,112	10,000	278,112	236,349	41,763
General Supplies	11-190-100-610	352,683	(20,810)	331,873	258,000	73,873
Textbooks	11-190-100-640	102,820	48,180	151,000	128,259	22,741
Other Objects	11-190-100-800	11,284	-	11,284	7,017	4,267
		5,413,681	(18,582)	5,395,099	5,148,177	246,922
<b>Total Regular Programs - Instruction</b>						
<b>Special Education:</b>						
<b>Learning &amp; Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	144,903	10	144,913	144,913	-
Purchased Professional - Educational Services	11-204-100-320	1,606	1,000	2,606	2,265	341
General Supplies	11-204-100-610	675	(225)	450	450	-
		147,184	785	147,969	147,628	341
<b>Total Learning &amp; Language Disabilities</b>						
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	196,779	362	197,141	197,141	-
Other Salaries for Instruction	11-212-100-106	22,627	287	22,914	22,914	-
Purchased Professional - Educational Services	11-212-100-320	1,500	-	1,500	1,466	34
General Supplies	11-212-100-610	1,175	687	1,862	1,862	-
		222,081	1,336	223,417	223,383	34
<b>Total Multiple Disabilities</b>						
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	384,216	1,218	385,434	385,182	252
Other Salaries for Instruction	11-213-100-106	22,627	-	22,627	22,597	30
Purchased Professional - Educational Services	11-213-100-320	3,967	4,189	8,156	8,156	-
General Supplies	11-213-100-610	2,975	216	3,191	3,165	26
		413,785	5,623	419,408	419,100	308
<b>Total Resource Room/Resource Center</b>						
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	29,821	-	29,821	29,820	1
Other Salaries for Instruction	11-215-100-106	22,071	(4,938)	17,133	15,229	1,904
Purchased Professional - Educational Services	11-215-100-320	420	4,000	4,420	4,318	102
General Supplies	11-215-100-610	500	-	500	291	209

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL (FAVORABLE/ UNFAVORABLE)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Preschool Disabilities - Part-Time		52,812	(938)	51,874	49,658	2,216
Total Special Education		835,862	6,806	842,668	839,769	2,899
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	366,136	16,777	382,913	382,318	595
Purchased Professional - Educational Services	11-230-100-320	5,700	-	5,700	2,737	2,963
General Supplies	11-230-100-610	1,700	519	2,219	2,192	27
Textbooks	11-230-100-640	4,800	(1,228)	3,572	3,326	246
Total Basic Skills/Remedial		378,336	16,068	394,404	390,573	3,831
Bilingual Education - Instruction:						
General Supplies	11-240-100-610	300	-	300	-	300
Total Bilingual Education - Instruction		300	-	300	-	300
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	31,488	-	31,488	27,029	4,459
Purchased Services	11-401-100-500	1,000	-	1,000	-	1,000
Supplies and Materials	11-401-100-600	11,150	-	11,150	5,694	5,456
Total School Sponsored Cocurricular Activities		43,638	-	43,638	32,723	10,915
Other Instructional Programs - Instruction:						
Salaries	11-403-100-100	4,721	-	4,721	4,620	101
Purchased Services	11-403-100-500	3,774	-	3,774	3,700	74
Supplies and Materials	11-403-100-600	2,000	1,700	3,700	2,240	1,460
Total Other Instructional Programs - Instruction		10,495	1,700	12,195	10,560	1,635
Before/After School Programs - Instruction:						
Salaries	11-421-100-101	2,000	-	2,000	-	2,000
Supplies and Materials	11-421-100-600	800	-	800	-	800
Total Before/After School Programs - Instruction		2,800	-	2,800	-	2,800
Summer School - Instruction:						
Salaries	11-422-100-101	5,000	(3,125)	1,875	-	1,875
Other Salaries of Instruction	11-422-100-106	1,000	528	1,528	1,528	-
General Supplies	11-422-100-610	200	-	200	84	116
Total Summer School - Instruction		6,200	(2,597)	3,603	1,612	1,991
Summer School - Support Services:						
Salaries	11-422-200-101	2,700	191	2,891	2,891	-
Total Summer School - Support Services		2,700	191	2,891	2,891	-
Total Instruction		6,694,012	3,586	6,697,598	6,426,305	271,293

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's - State Regular	11-000-100-561	2,472,823	-	2,472,823	-
Tuition to Other LEA's - State Special	11-000-100-562	207,869	-	207,869	27,208
Tuition to County Vocational Regular	11-100-100-563	132,300	-	132,300	15,284
Tuition to County Vocational Special	11-100-100-564	58,350	-	58,350	33,648
Tuition to County Special Services & Day Schools	11-000-100-565	332,250	(49,156)	283,094	134,576
Tuition to Private Schools for the Handicapped - State	11-100-100-566	519,200	36,541	555,741	553,678
Tuition - Other	11-100-100-569	-	12,615	12,615	2,063
		3,722,792	-	3,722,792	226,721
Total Undistributed Expenditures - Instruction					
Attendance & Social Work Services:					
Salaries of Teachers	11-000-211-100	22,803	143	22,946	8
		22,803	143	22,946	8
Total Attendance & Social Work Services					
Health Services:					
Salaries	11-000-213-100	147,654	5,087	152,721	26
Purchased Professional & Technical Services	11-000-213-300	5,600	(1,560)	4,040	-
Other Purchased Services	11-000-213-500	7,087	550	7,637	574
Supplies and Materials	11-000-213-600	3,245	850	4,095	119
Other Objects	11-000-213-800	2,715	(626)	2,089	586
Total Health Services		166,281	4,301	170,582	1,305
Other Support Services - Students - Related Services:					
Salaries	11-000-216-100	137,844	750	138,594	-
Purchased Professional - Educational Services	11-000-216-320	84,070	-	84,070	4,070
Supplies and Materials	11-000-216-600	1,125	366	1,491	202
Total Other Support Services - Students - Related Services		223,039	1,116	224,155	4,272

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Special Education - Extraordinary Services:						
Salaries	11-000-217-100	165,634	(10,582)	155,052	152,704	2,348
Purchased Prof.- Edu. Services	11-000-217-320	4,008	-	4,008	2,479	1,529
Total Other Support Services - Special Education - Extraordinary Services		169,642	(10,582)	159,060	155,183	3,877
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	132,028	-	132,028	132,028	-
Other Purchased Professional & Technical Services	11-000-218-390	1,800	1,110	2,910	1,672	1,238
Supplies and Materials	11-000-218-600	950	500	1,450	1,305	145
Total Other Support Services - Students - Regular		134,778	1,610	136,388	135,005	1,383
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	335,922	(10,181)	325,741	295,449	30,292
Salaries of Secretarial & Clerical Assistants	11-000-219-105	43,076	-	43,076	43,076	-
Purchased Professional - Technical Services	11-000-219-390	6,280	3,476	9,756	5,636	4,120
Other Purchased Services	11-000-219-500	3,100	(3,100)	-	-	-
Miscellaneous Purchased Services	11-000-219-592	-	2,809	2,809	1,821	988
Supplies and Materials	11-000-219-600	1,600	291	1,891	1,867	24
Total Other Support Services - Students Special Services		389,978	(6,705)	383,273	347,849	35,424
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	282,494	1,376	283,870	283,870	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	37,246	554	37,800	35,912	1,888

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL (UNFAVORABLE/FAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff (continued):</b>					
Purchased Professional - Educational Services	11-000-221-320	10,350	3,371	13,721	5,285
Other Purchased Services	11-000-221-500	1,400	465	1,865	120
Supplies and Materials	11-000-221-600	400	-	400	221
Other Objects	11-000-221-800	1,258	-	1,258	1,229
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>333,148</b>	<b>5,766</b>	<b>338,914</b>	<b>10,652</b>
<b>Educational Media Services/School Library:</b>					
Salaries	11-000-222-100	118,525	-	118,525	1,429
Salaries of Technology Coordinators	11-000-222-177	138,813	2,756	141,569	136,569
Other Purchased Services	11-000-222-500	17,200	2,000	19,200	810
Supplies and Materials	11-000-222-600	21,900	(1,353)	20,547	20,344
<b>Total Educational Media Services/Library</b>		<b>296,438</b>	<b>3,403</b>	<b>299,841</b>	<b>7,442</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional - Educational Services	11-000-223-320	12,500	(11,171)	1,329	478
Other Purchased Services	11-000-223-500	25,050	(6,695)	18,355	16,957
Supplies & Materials	11-000-223-600	500	-	500	18
<b>Total Instructional Staff Training Services</b>		<b>38,050</b>	<b>(17,866)</b>	<b>20,184</b>	<b>17,453</b>
<b>Support Services General Administration:</b>					
Salaries	11-000-230-100	200,612	554	201,166	196,430
Legal Services	11-000-230-331	26,000	(859)	25,141	20,322
Audit Fees	11-000-230-332	22,338	2,762	25,100	25,100
Other Purchased Professional Services	11-000-230-339	14,435	(2,565)	11,870	11,870
Purchased Technical Services	11-000-230-340	7,270	-	7,270	2,435
Communications/Telephone	11-000-230-530	26,939	(114)	26,825	21,405
BOE Other Purchased Services	11-000-230-585	4,500	(700)	3,800	2,265
Other Purchased Services	11-000-230-590	28,955	2,929	31,884	31,136
General Supplies	11-000-230-610	4,650	(150)	4,500	2,271



LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Support Services General Administration (continued):					
BOE In-House Training/Meeting	11-000-230-630	800	150	950	8
Supplies	11-000-230-890	3,130	-	3,130	2,144
Miscellaneous Expenditures	11-000-230-895	11,969	(250)	11,719	9,384
BOE Membership Dues & Fees					2,335
Total Support Services General Administration		351,598	1,757	353,355	325,704
Support Services School Administration:					
Salaries of Principals & Assistant Principals	11-000-240-103	131,596	-	131,596	131,596
Salaries of Secretarial & Clerical Assistants	11-000-240-105	121,833	-	121,833	121,098
Other Purchased Services	11-000-240-500	5,150	2,274	7,424	4,866
Supplies and Materials	11-000-240-600	6,050	-	6,050	3,905
Total Support Services School Administration		264,629	2,274	266,903	261,465
Central Services:					
Salaries	11-000-251-100	193,894	(100)	193,894	191,994
Purchased Professional Services	11-000-251-330	8,440	2,760	11,200	11,138
Purchased Technical Services	11-000-251-340	5,050	-	5,050	3,450
Miscellaneous Purchased Services	11-000-251-592	2,300	(213)	2,087	1,559
Supplies and Materials	11-000-251-600	4,575	40	4,615	4,611
Miscellaneous Expenditures	11-000-251-890	850	240	1,090	1,090
Total Central Services		215,209	2,727	217,936	213,842
Administrative Information Technology:					
Salaries	11-000-252-100	49,707	-	49,707	49,707
Purchased Technical Services	11-000-252-340	35,124	1,000	36,124	35,936
Other Purchased Services	11-000-252-500	7,355	(500)	6,855	3,193
Total Administrative Information Technology		92,186	500	92,686	88,836
Allowable Maintenance for School Facilities:					
Salaries	11-000-261-100	77,883	21,045	98,928	98,248
Cleaning, Repair & Maintenance Services	11-000-261-420	97,990	10,212	108,202	88,407
General Supplies	11-000-261-610	40,350	56	40,406	36,526
Total Allowable Maintenance for School Facilities		216,223	31,313	247,536	223,181
					24,355

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Operation & Maintenance of Plant Services & School Facilities:					
Salaries	11-000-262-100	91,362	-	91,362	90,642 720
Salaries of Noninstructional Aides	11-000-262-107	44,336	7,205	51,541	46,282 5,259
Purchased Professional & Technical Services	11-000-262-300	10,523	-	10,523	1,101 9,422
Cleaning, Repair & Maintenance Services	11-000-262-420	688,171	-	688,171	665,466 22,705
Other Purchased Property Services	11-000-262-490	54,505	-	54,505	52,328 2,177
Insurance	11-000-262-520	47,710	1,596	49,306	45,805 3,501
Miscellaneous Purchased Services	11-000-262-590	-	185	185	184 1
General Supplies	11-000-262-610	54,100	(241)	53,859	46,367 7,492
Energy (Natural Gas)	11-000-262-621	97,222	-	97,222	27,963 69,259
Energy (Electricity)	11-000-262-622	365,600	(21,000)	344,600	274,158 70,442
Other Objects	11-000-262-800	950	876	1,826	1,826 -
<b>Total Operation &amp; Maintenance of Plant Services &amp; School Facilities</b>		<b>1,454,479</b>	<b>(11,379)</b>	<b>1,443,100</b>	<b>1,252,122 190,978</b>
Care & Upkeep of Grounds:					
Other Purchased Professional Technical Services	11-000-263-300	56,800	(5,503)	51,297	37,974 13,323
General Supplies	11-000-263-610	4,500	5,000	9,500	8,747 753
<b>Total Care &amp; Upkeep of Grounds</b>		<b>61,300</b>	<b>(503)</b>	<b>60,797</b>	<b>46,721 14,076</b>
Security:					
Other Purchased Professional Technical Services	11-000-266-300	22,000	(8,000)	14,000	12,435 1,565
Cleaning, Repair & Maintenance Services	11-000-266-420	9,300	(4,897)	4,403	4,403 -
General Supplies	11-000-266-610	-	8,503	8,503	8,109 394
<b>Total Security</b>		<b>31,300</b>	<b>(4,394)</b>	<b>26,906</b>	<b>24,947 1,959</b>
Student Transportation Services:					
Salaries of Noninstructional Aides	11-000-270-107	8,193	-	8,193	3,049 5,144
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	24,838	-	24,838	24,838 -
Other Purchased Professional Technical Services	11-000-270-390	1,000	-	1,000	87 913
Contracted Services (Between Home & School) - Vendors	11-000-270-511	602,550	1,199	603,749	602,775 974

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Student Transportation Services (continued):					
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	45,331	(20,784)	24,547	-
Contracted Services (Special Education Students) - Vendors	11-000-270-514	-	-	-	-
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-515	328,448	19,585	348,033	345,776
Contracted Service - Aid in Lieu of Payments	11-000-270-503	43,316	-	43,316	38,122
Misc. Purchased Svc. - Transp.	11-000-270-593	2,225	-	2,225	1,020
General Supplies	11-000-270-610	400	(50)	350	340
Miscellaneous Expenditures	11-000-270-800	150	50	200	200
<b>Total Student Transportation Services</b>		<b>1,056,451</b>	<b>-</b>	<b>1,056,451</b>	<b>1,040,754</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	11-000-291-220	98,440	29,663	128,103	124,092
Other Retirement Contribution - PERS	11-000-291-241	116,487	12,000	128,487	128,407
Other Retirement Contribution - Regular	11-000-291-249	11,086	1,011	12,097	12,095
Unemployment Compensation	11-000-291-250	45,000	(21,881)	23,119	254
Workmen's Compensation	11-000-291-260	58,555	7,121	65,676	65,676
Health Benefits	11-000-291-270	1,815,506	(14,661)	1,800,845	1,653,361
Tuition Reimbursements	11-000-291-280	40,000	(11,546)	28,454	12,600
Other Employee Benefits	11-000-291-290	9,525	28,907	38,432	30,265
Unused Sick Payments	11-000-291-299	33,375	(33,375)	-	-
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>2,227,974</b>	<b>(2,761)</b>	<b>2,225,213</b>	<b>2,026,750</b>
Nonbudgeted:					
On-Behalf TPAF Pension Contributions		-	-	-	467,024
On-Behalf TPAF Medical Contributions		-	-	-	556,098
Reimbursed TPAF Social Security Contributions		-	-	-	477,682
<b>Total Undistributed Expenditures</b>		<b>11,468,298</b>	<b>720</b>	<b>11,469,018</b>	<b>12,189,446</b>
<b>Total Expenditures - Current Expense</b>		<b>18,162,310</b>	<b>4,306</b>	<b>18,166,616</b>	<b>18,615,751</b>
Capital Outlay:					
Interest Deposit to Capital Reserve	10-604-000-000	125	-	125	-
Interest Deposit to Maintenance Reserve	10-606-000-000	250	-	250	-

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Equipment:						
Undistributed Expenditures:						
Instruction	12-000-100-730	-	3,281	3,281	3,281	-
Administrative Information Tech.	12-000-252-730	-	8,991	8,991	8,991	-
Maintenance of School Facilities	12-000-261-730	7,000	-	7,000	5,300	1,700
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	12,000	-	12,000	-	12,000
Other Purchased Professional & Construction Services	12-000-400-450	323,000	-	323,000	197,600	125,400
Other Objects	12-000-400-800	2,000	-	2,000	-	2,000
Assessment for Debt Service on SDA Funding	12-000-400-896	1,137	-	1,137	1,137	-
Total Capital Outlay		345,512	12,272	357,784	216,309	141,475
Total Expenditures		18,507,822	16,578	18,524,400	18,832,060	(307,660)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(1,294,713)	(16,578)	(1,311,291)	16,253	1,327,544
Other Financing Sources/(Uses):						
Transfer to Cover Deficit (Enterprise)	11-000-310-930	(24,000)	-	(24,000)	-	24,000
Transfer to Capital Projects	12-000-400-932		(26,983)	(26,983)	(26,983)	-
Total Other Financing Sources/(Uses)		(24,000)	(26,983)	(50,983)	(26,983)	24,000

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	JUNE 30, 2016			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/(Under)				
Expenditures After Other Financing Sources/(Uses)	(1,318,713)	(43,561)	(1,362,274)	(10,730)
Fund Balances, July 1	3,728,160	-	3,728,160	3,728,160
Fund Balances, June 30	\$ 2,409,447	\$ (43,561)	\$ 2,365,886	\$ 3,717,430
				\$ 1,351,544

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	\$ 16,578
Transfer in from Capital Reserve	26,983
Total	\$ 43,561

RECAPITULATION OF FUND BALANCE

<b>Restricted Fund Balance:</b>	
Capital Reserve	264,757
Maintenance Reserve	400,930
Excess Surplus - Designated for Subsequent Year	1,306,435
Excess Surplus	1,257,354
<b>Assigned Fund Balance:</b>	
Year End Encumbrances	75,131
<b>Unassigned Fund Balance</b>	<u>412,823</u>
Subtotal	<u>3,717,430</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(527,135)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 3,190,295</u>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>					
State Sources	\$ 36,300	\$ -	\$ 36,300	\$ 35,491	\$ (809)
Federal Sources	276,956	55,065	332,021	330,232	(1,789)
Local Sources	15,000	3,000	18,000	12,219	(5,781)
<b>Total Revenues</b>	<b>328,256</b>	<b>58,065</b>	<b>386,321</b>	<b>377,942</b>	<b>(8,379)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	125,628	(13,541)	112,087	111,848	239
Salaries of Aides	-	9,221	9,221	9,221	-
General Supplies	17,000	(9,000)	8,000	1,410	6,590
Tuition	185,628	15,505	201,133	201,133	-
<b>Total Instruction</b>	<b>328,256</b>	<b>2,185</b>	<b>330,441</b>	<b>323,612</b>	<b>6,829</b>
<b>Support Services:</b>					
Salaries of Other Professionals	-	18,501	18,501	18,057	444
Employee Benefits	-	20,304	20,304	20,304	-
Purchased Professional Services	-	16,964	16,964	15,858	1,106
General Supplies	-	111	111	111	-
<b>Total Support Services</b>	<b>-</b>	<b>55,880</b>	<b>55,880</b>	<b>54,330</b>	<b>1,550</b>
<b>Total Expenditures</b>	<b>328,256</b>	<b>58,065</b>	<b>386,321</b>	<b>377,942</b>	<b>8,379</b>
<b>Total Outflows</b>	<b>328,256</b>	<b>58,065</b>	<b>386,321</b>	<b>377,942</b>	<b>8,379</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/ (Uses)</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
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
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 18,848,313	\$ 377,942
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	518,272	3,630
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(527,135)	(2,821)
	(527,135)	(2,821)
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	\$ 18,839,450	\$ 378,751
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 18,832,060	\$ 377,942
Differences - budget to GAAP		
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)	\$ 18,832,060	\$ 377,942

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01494%	0.01334%	0.01321%
District's proportionate share of the net pension liability (asset)	\$3,352,766	\$2,496,772	\$ 2,523,941
District's covered-employee payroll	\$ 998,410	\$ 978,010	\$ 965,149
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	335.81%	255.29%	261.51%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 133,464	\$ 128,407	109,936
Contributions in relation to the contractually required contribution	<u>133,464</u>	<u>128,407</u>	<u>109,936</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 998,410	\$ 978,010	978,010
Contributions as a percentage of covered- employee payroll	13.37%	13.13%	11.24%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.



**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06091%	0.06158%	0.05952%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 38,498,334	\$ 32,915,040	\$ 30,082,270
District's covered-employee payroll	\$ 6,556,090	\$ 6,240,874	\$ 5,923,128
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**Teachers Pension and Annuity Fund (TPAF)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

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

**Public Employees' Retirement System (PERS)**

**Basis of Presentation.** The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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

**Changes of assumptions.** 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. 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 experience 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.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	I.D.E.A. - PART B		NO CHILD LEFT BEHIND		
	BASIC REGULAR PROGRAM	PRESCHOOL INCENTIVE PROGRAM	TITLE I	TITLE II	TITLE III
				PART A	
Revenues:					
Federal Sources	\$ 214,649	\$ 8,172	\$ 89,851	\$ 15,858	\$ 1,591
Total Revenues	\$ 214,649	\$ 8,172	\$ 89,851	\$ 15,858	\$ 1,591
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 9,430	\$ 1,478	\$ 53,162	\$ -	\$ 1,478
Salaries of Aides	3,109	6,112	-	-	-
Tuition	201,133	-	-	-	-
Total Instruction	213,672	7,590	53,162	-	1,478
Support Services:					
Salaries of Other Professionals	-	-	18,057	-	-
Employee Benefits	977	582	18,632	-	113
Purchase Professional & Technical Services	-	-	-	15,858	-
Total Support Services	977	582	36,689	15,858	113
Total Expenditures	\$ 214,649	\$ 8,172	\$ 89,851	\$ 15,858	\$ 1,591

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ITALIAN GRANT	PRESCHOOL EDUCATION AID	BOEING GRANT	RACE TO THE TOP	2016
<b>Revenues:</b>					
Federal Sources	\$ -	\$ -	\$ -	\$ 111	\$ 330,232
State Sources	-	35,491	-	-	35,491
Local Sources	12,000	-	219	-	12,219
<b>Total Revenues</b>	<b>12,000</b>	<b>35,491</b>	<b>219</b>	<b>111</b>	<b>377,942</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 12,000	\$ 34,300	\$ -	\$ -	\$ 111,848
Salaries of Aides	-	-	-	-	9,221
Tuition	-	-	-	-	201,133
General Supplies	-	1,191	219	-	1,410
<b>Total Instruction</b>	<b>12,000</b>	<b>35,491</b>	<b>219</b>	<b>-</b>	<b>323,612</b>
<b>Support Services:</b>					
Salaries of Other Professionals	-	-	-	-	18,057
Employee Benefits	-	-	-	-	20,304
Purchased Professional Services	-	-	-	-	15,858
General Supplies	-	-	-	111	111
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>54,330</b>
<b>Total Expenditures</b>	<b>\$ 12,000</b>	<b>\$ 35,491</b>	<b>\$ 219</b>	<b>\$ 111</b>	<b>\$ 377,942</b>

**LOGAN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	2016		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 34,300	\$ 34,300	\$ -
Supplies	2,000	1,191	809
Total Instruction	<u>36,300</u>	<u>35,491</u>	<u>809</u>
 Total Expenditures	 <u>\$ 36,300</u>	 <u>\$ 35,491</u>	 <u>\$ 809</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2015-2016 Preschool Education Aid Allocation	\$ 36,300
Add: Actual Preschool Education Aid Carryover June 30, 2015	<u>-</u>
Total Preschool Education Aid Funds Available for 2015-2016 Budget	36,300
Less: 2015-2016 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<u>(36,300)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2016	-
Add: June 30, 2016 Unexpended Preschool Education Aid	<u>809</u>
Total Actual Preschool Education Aid Carryover	<u>\$ 809</u>
2015-2016 Preschool Education Aid Carryover Budgeted in 2016-2017	<u>\$ -</u>

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F. Capital Projects Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2016**

PROJECT	DATE	APPROPRIATION	EXPENDITURES TO DATE		
			PRIOR	CURRENT	UNEXPENDED
Cooling Tower for HVAC	01/06/2014	\$ 577,000	\$ 381,379	\$ -	\$ 195,621
HVAC Renovation for Elementary School Gym	12/26/2014	459,730	193,889	16,024	249,817
Boiler System Replacement Project	05/23/2015	464,000	302,380	148,184	13,436
Elementary School Door Replacement Project	05/23/2015	147,103	10,400	134,046	2,657
		Total \$	888,048	\$ 298,254	\$ 461,531

Reconciliation - Unexpended Capital Project  
Balances to Fund Balance - June 30, 2016:

Unexpended Project Balances June 30, 2016	\$	461,531
Less:		
Unexpended State Aid - ROD Grants		<u>(183,654)</u>
<b>Total Fund Balance (GAAP Basis) - June 30, 2016</b>	<b>\$</b>	<b><u><u>277,877</u></u></b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources:	
Transfer from General Fund	\$ 26,983
	<hr/>
Total Revenues	26,983
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	11,139
Construction Services	287,115
	<hr/>
Total Expenditures	298,254
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(271,271)
Fund Balance - Beginning	732,802
	<hr/>
Fund Balance - Ending	\$ 461,531
	<hr/> <hr/>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
COOLING TOWER FOR HVAC  
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 230,800	\$ -	\$ 230,800	\$ 230,800
Transfers	346,200	-	346,200	346,200
<b>Total Revenues</b>	<b>577,000</b>	<b>-</b>	<b>577,000</b>	<b>577,000</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	48,300	-	48,300	54,100
Construction Services	333,079	-	333,079	522,900
<b>Total Expenditures</b>	<b>381,379</b>	<b>-</b>	<b>381,379</b>	<b>577,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 195,621</b>	<b>\$ -</b>	<b>\$ 195,621</b>	<b>\$ -</b>

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1005-G04
Grant Date	01/06/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$577,000
Revised Authorized Cost	\$577,000
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOLIER SYSTEM REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 183,892	\$ -	\$ 183,892	\$ 183,892
Transfers	275,838	-	275,838	275,838
<b>Total Revenues</b>	<b>459,730</b>	<b>-</b>	<b>459,730</b>	<b>459,730</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	27,592	343	27,935	43,930
Construction Services	166,297	15,681	181,978	415,800
<b>Total Expenditures</b>	<b>193,889</b>	<b>16,024</b>	<b>209,913</b>	<b>459,730</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 265,841	\$ (16,024)	\$ 249,817	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1006-G04
Grant Date	05/23/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$459,730
Revised Authorized Cost	\$459,730
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
HVAC RENOVATION FOR ELEMENTARY SCHOOL GYMNASIUM  
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 185,600	\$ -	\$ 185,600	\$ 185,600
Transfers	278,400	-	278,400	278,400
<b>Total Revenues</b>	<b>464,000</b>	<b>-</b>	<b>464,000</b>	<b>464,000</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	36,802	10,796	47,598	44,000
Construction Services	265,578	137,388	402,966	420,000
<b>Total Expenditures</b>	<b>302,380</b>	<b>148,184</b>	<b>450,564</b>	<b>464,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 161,620</b>	<b>\$ (148,184)</b>	<b>\$ 13,436</b>	<b>\$ -</b>

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1003-G04
Grant Date	12/26/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$464,000
Revised Authorized Cost	\$464,000
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ELEMENTARY SCHOOL DOOR REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 48,048	\$ -	\$ 48,048	\$ 48,048
Transfers	72,072	26,983	99,055	99,055
<b>Total Revenues</b>	<b>120,120</b>	<b>26,983</b>	<b>147,103</b>	<b>147,103</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	10,400	-	10,400	10,920
Construction Services	-	134,046	134,046	136,183
<b>Total Expenditures</b>	<b>10,400</b>	<b>134,046</b>	<b>144,446</b>	<b>147,103</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 109,720	\$ (107,063)	\$ 2,657	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1004-G04
Grant Date	05/23/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$120,120
Revised Authorized Cost	\$147,103
Percentage Increase Over Original Authorized Cost	22.46%



## G. Proprietary Funds

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Enterprise Funds

This section has been included on Exhibit B-4, B-5 & B-6

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE				TOTAL 2016
	UNEMPLOYMENT COMPENSATION INSURANCE	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 46,024	\$ 6,436	\$ 30,007	\$ 212,796	\$ 295,263
Total Assets	46,024	6,436	30,007	212,796	295,263
<b>LIABILITIES</b>					
Payroll Deductions & Withholdings	-	-	-	208,976	208,976
Flexible Spending	-	-	-	3,820	3,820
Due to Student Groups	-	-	30,007	-	30,007
Total Liabilities	-	-	30,007	212,796	242,803
<b>NET POSITION</b>					
Reserved for Unemployment Compensation	46,024	-	-	-	46,024
Unreserved	-	6,436	-	-	6,436
Total Net Position	\$ 46,024	\$ 6,436	\$ -	\$ -	\$ 52,460

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE		TOTAL 2016
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP	
Local Sources:			
Transfer from Payroll Agency Account	\$ 13,594	\$ -	\$ 13,594
Investment Earnings:			
Interest	65	10	75
 Total Additions	 13,659	 10	 13,669
 DEDUCTIONS			
Quarterly Unemployment Contribution Reports	4,415	-	4,415
Scholarship Payments	-	200	200
 Total Deductions	 4,415	 200	 4,615
Change in Net Position	9,244	(190)	9,054
Net Position - Beginning of the Year	36,780	6,626	43,406
 Net Position - End of the Year	 \$ 46,024	 \$ 6,436	 \$ 52,460

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BALANCE JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Student Activity	\$ 32,927	\$ 27,732	\$ 30,652	\$ 30,007
Total Student Activity	<u>\$ 32,927</u>	<u>\$ 27,732</u>	<u>\$ 30,652</u>	<u>\$ 30,007</u>

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

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 247,427	\$ 9,127,856	\$ 9,162,487	\$ 212,796
Total Assets	<u>\$ 247,427</u>	<u>\$ 9,127,856</u>	<u>\$ 9,162,487</u>	<u>\$ 212,796</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholding	\$ 245,477	\$ 4,277,382	\$ 4,313,883	\$ 208,976
Net Payroll	-	4,809,473	4,809,473	-
Flexible Spending	1,950	41,001	39,131	3,820
Total Liabilities	<u>\$ 247,427</u>	<u>\$ 9,127,856</u>	<u>\$ 9,162,487</u>	<u>\$ 212,796</u>

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## I. Long-Term Debt

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
Refunding Bonds - Series 2005	04/20/2005	4,840,000	7/15/2016	545,000	4.00%	\$ 2,160,000	\$ -	\$ 530,000	\$ 1,630,000
			7/15/2017	540,000	3.75%				
			7/15/2018	545,000	4.00%				
Total						\$ 2,160,000	\$ -	\$ 530,000	\$ 1,630,000

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2016**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	LEASE ADJUSTMENT	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Dell Computer Equipment	8/1/2011	48 Months	217,640	8.400%	\$ 8,157	\$ -	\$ -	\$ 8,157	\$ -
Dell Computer Equipment	8/1/2011	48 Months	88,644	6.000%	3,397	-	-	3,397	-
Dell Computer Equipment	5/31/2012	49 Months	104,129	7.500%	29,706	-	-	25,751	3,955
Dell Computer Equipment	8/1/2013	49 Months	79,514	5.100%	41,146	-	-	18,587	22,559
Total					\$ 82,406	\$ -	\$ -	\$ 55,892	\$ 26,514



**LOGAN TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>						
Local Sources:						
Local Tax Levy	40-1210	\$ 412,388	\$ -	\$ 412,388	\$ 412,388	\$ -
State Sources:						
Debt Service Aid Type II	40-3160	192,050	-	192,050	192,050	-
Total Revenues		604,438	-	604,438	604,438	-
<b>Expenditures:</b>						
Regular Debt Service:						
Interest	40-701-510-834	74,438	-	74,438	74,438	-
Redemption of Principal	40-701-510-910	530,000	-	530,000	530,000	-
Total Expenditures		604,438	-	604,438	604,438	-
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		-	-	-	-	-
Fund Balance, July 1		1		1	1	-
Fund Balance, June 30		\$ 1	\$ -	\$ 1	\$ 1	\$ -

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**STATISTICAL SECTION (Unaudited)**

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 8,758,023	\$ 8,300,838	\$ 7,359,389	\$ 6,377,078	\$ 6,053,975	\$ 5,234,131	\$ 4,377,078	\$ 3,529,498	\$ 2,721,022	\$ 1,864,857
Restricted	3,478,095	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159
Unrestricted	(3,002,291)	(2,901,683)	(259,289)	(293,140)	(274,214)	(259,094)	(350,790)	(356,486)	(63,085)	(87,744)
<b>Total Governmental Activities:</b>										
Net Position	\$ 9,233,827	\$ 9,116,046	\$ 10,555,785	\$ 9,750,312	\$ 8,883,642	\$ 6,939,300	\$ 5,148,703	\$ 4,630,911	\$ 3,697,748	\$ 3,022,272
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 7,271	\$ 12,291	\$ 17,311	\$ 22,331	\$ 27,351	\$ 32,371	\$ 32,965	\$ 31,782	\$ 36,934	\$ 42,107
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	119,594	91,147	90,125	86,368	72,203	68,996	74,873	58,491	28,581	4,949
<b>Total Business-Type Activities:</b>										
Net Position	\$ 126,865	\$ 103,438	\$ 107,436	\$ 108,699	\$ 99,554	\$ 101,367	\$ 107,838	\$ 90,273	\$ 65,515	\$ 47,056
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 8,765,294	\$ 8,313,129	\$ 7,376,700	\$ 6,399,409	\$ 6,081,326	\$ 5,266,502	\$ 4,410,043	\$ 3,561,280	\$ 2,757,956	\$ 1,906,964
Restricted	3,478,095	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159
Unrestricted	(2,882,697)	(2,810,536)	(169,164)	(206,772)	(202,011)	(190,098)	(275,917)	(297,995)	(34,504)	(82,795)
<b>Total District Net Position</b>	<b>\$ 9,360,692</b>	<b>\$ 9,219,484</b>	<b>\$ 10,663,221</b>	<b>\$ 9,859,011</b>	<b>\$ 8,983,196</b>	<b>\$ 7,040,667</b>	<b>\$ 5,256,541</b>	<b>\$ 4,721,184</b>	<b>\$ 3,763,263</b>	<b>\$ 3,069,328</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 5,471,789	\$ 5,303,490	\$ 5,297,351	\$ 5,183,958	\$ 5,144,823	\$ 5,092,056	\$ 5,100,450	\$ 4,920,746	\$ 4,789,042	\$ 4,466,348
Special Education	839,769	774,977	687,144	573,746	611,867	533,494	548,382	525,053	504,639	516,752
Basic Skill/Remedial Instruction	390,573	246,716	222,126	386,526	323,731	240,767	370,020	326,229	247,916	204,011
Bilingual Education									5,810	5,401
Other Instruction	47,786	65,471	57,919	63,143	50,335	32,280	63,582	51,235	42,960	46,584
Support Services:										
Tuition	3,496,071	3,838,861	4,011,053	3,579,020	3,231,290	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893
Student & Instruction Related Services	1,686,687	1,524,815	1,480,940	1,321,244	1,241,427	1,128,319	1,276,585	1,138,680	1,142,732	1,163,638
School Administrative Services	261,465	314,592	319,580	374,501	360,831	347,943	385,887	379,190	395,626	374,193
General & Business Administrative Services	628,382	575,297	575,252	533,675	530,397	520,965	518,127	511,764	501,896	527,044
Plant Operations & Maintenance	1,546,971	1,466,792	1,431,213	1,335,059	1,360,706	1,344,578	1,358,684	1,226,154	1,228,585	1,251,158
Pupil Transportation	1,040,754	1,024,612	918,076	910,312	972,839	871,551	1,250,299	1,267,775	1,251,819	1,288,866
Allocated Benefits									1,670,079	
Unallocated Benefits	5,579,733	4,602,430	3,010,602	3,231,394	2,797,928	2,739,236	2,741,355	2,619,071	1,338,359	2,898,605
Special Schools							30,829	39,734	38,065	32,943
Interest on Long-Term Debt	65,858	85,896	108,861	158,690	209,311	259,683	310,109	366,909	416,784	466,131
Revaluation of Fixed Assets				647,073						
Unallocated Depreciation	629,466	595,871	619,354	587,816	763,459	695,911	674,708	621,165	621,165	614,338
Total Governmental Activities Expenses	21,685,304	20,419,820	18,739,471	18,886,157	17,598,944	17,391,116	19,070,665	18,621,498	19,043,737	18,164,905
Business-Type Activities:										
Food Service	283,058	311,501	191,758	328,623	343,046	331,553	354,875	368,575	359,708	375,970
Total Business-Type Activities Expense	283,058	311,501	191,758	328,623	343,046	331,553	354,875	368,575	359,708	375,970
Total District Expenses	\$ 21,968,362	\$ 20,731,321	\$ 18,931,229	\$ 19,214,780	\$ 17,941,990	\$ 17,722,669	\$ 19,425,540	\$ 18,990,073	\$ 19,403,445	\$ 18,540,875

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Program Revenues:</b>										
Operating Grants & Contributions	\$ 3,763,201	\$ 3,104,705	\$ 422,307	\$ 390,877	\$ 437,280	\$ 508,917	\$ 540,326	\$ 382,074	\$ 372,755	\$ 391,729
<b>Total Governmental Activities Program Revenues</b>	<b>3,763,201</b>	<b>3,104,705</b>	<b>422,307</b>	<b>390,877</b>	<b>437,280</b>	<b>508,917</b>	<b>540,326</b>	<b>382,074</b>	<b>372,755</b>	<b>391,729</b>
<b>Business-Type Activities:</b>										
Charges for Services:										
Food Service	202,096	191,758	185,429	213,016	224,536	240,049	256,954	249,595	249,704	237,530
Operating Grants & Contributions	104,389	115,745	120,374	124,752	100,546	102,391	96,379	88,572	123,456	72,496
<b>Total Business Type Activities Program Revenues</b>	<b>306,485</b>	<b>307,503</b>	<b>305,803</b>	<b>337,768</b>	<b>325,082</b>	<b>342,440</b>	<b>353,333</b>	<b>338,167</b>	<b>373,160</b>	<b>310,026</b>
<b>Total District Program Revenues</b>	<b>\$ 4,069,686</b>	<b>\$ 3,412,208</b>	<b>\$ 728,110</b>	<b>\$ 728,645</b>	<b>\$ 762,362</b>	<b>\$ 851,357</b>	<b>\$ 893,659</b>	<b>\$ 720,241</b>	<b>\$ 745,915</b>	<b>\$ 701,755</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (17,922,103)	\$ (17,315,115)	\$ (18,317,164)	\$ (18,495,280)	\$ (17,161,664)	\$ (16,882,199)	\$ (18,530,339)	\$ (18,239,424)	\$ (18,670,982)	\$ (17,773,176)
Business-Type Activities	23,427	(3,998)	(1,263)	9,145	(17,964)	10,887	(1,542)	(30,408)	13,452	(65,944)
<b>Total District-Wide Net Expense</b>	<b>\$ (17,898,676)</b>	<b>\$ (17,319,113)</b>	<b>\$ (18,318,427)</b>	<b>\$ (18,486,135)</b>	<b>\$ (17,179,628)</b>	<b>\$ (16,871,312)</b>	<b>\$ (18,531,881)</b>	<b>\$ (18,269,832)</b>	<b>\$ (18,657,530)</b>	<b>\$ (17,839,120)</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,679,639	\$ 11,563,999	\$ 11,337,254	\$ 11,114,955	\$ 10,953,584	\$ 11,023,468	\$ 11,224,583	\$ 11,176,687	\$ 10,746,814	\$ 10,122,574
Taxes Levied for Debt Service	412,388	416,411	880,086	917,936	952,328	980,678	922,326	963,417	980,886	992,917
Unrestricted Grants & Contributions	5,648,602	5,627,066	6,918,957	7,074,009	6,991,984	6,448,730	6,769,678	6,983,037	7,481,572	7,156,367
SDA Grant Revenue	109,467	324,116	31,103	-	-	-	-	-	-	-
Tuition	179,302	191,492	231,505	187,404	192,567	214,851	124,076	66,803	95,991	160,522
Investment Earnings	7,804	7,141	401	235	-	-	-	21,801	80,963	136,620
Miscellaneous Income	15,349	23,781	22,876	67,411	15,543	5,069	37,468	842	232	14,178
Transfers							(30,000)	(48,701)	(40,000)	(39,069)
Net Increase in Capital Assets	(12,667)	(54,234)	-	-	-	-	-	-	-	(352,837)
Increase in Compensated Absences										
Total Governmental Activities	18,039,884	18,099,772	19,422,182	19,361,950	19,106,006	18,672,796	19,048,131	19,163,886	19,346,458	18,191,272
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	30,000	40,000	40,000	39,069
Total Business-Type Activities	-	-	-	-	-	-	30,000	40,000	40,000	39,069
Total District-Wide	\$ 18,039,884	\$ 18,099,772	\$ 19,422,182	\$ 19,361,950	\$ 19,106,006	\$ 18,672,796	\$ 19,078,131	\$ 19,203,886	\$ 19,386,458	\$ 18,230,341
Change in Net Position:										
Governmental Activities	\$ 117,781	\$ 784,657	\$ 1,105,018	\$ 866,670	\$ 1,944,342	\$ 1,790,597	\$ 517,792	\$ 924,462	\$ 675,476	\$ 418,096
Business-Type Activities	23,427	(3,998)	(1,263)	9,145	(17,964)	10,887	28,458	9,592	53,452	(26,875)
Total District	\$ 141,208	\$ 780,659	\$ 1,103,755	\$ 875,815	\$ 1,926,378	\$ 1,801,484	\$ 546,250	\$ 934,054	\$ 728,928	\$ 391,221



**LOGAN TOWNSHIP BOARD OF EDUCATION  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Fund:</b>										
Reserved	\$ 3,229,476	\$ 3,316,185	\$ 3,504,100	\$ 3,737,743	\$ 3,198,504	\$ 1,692,832	\$ 1,233,275	\$ 1,096,301	\$ 901,779	\$ 1,184,642
Unreserved	(39,181)	(106,297)	1,821	(45,157)	(134,474)	262,970	(157,880)	331,461	417,536	319,446
<b>Total General Fund</b>	<b>\$ 3,190,295</b>	<b>\$ 3,209,888</b>	<b>\$ 3,505,921</b>	<b>\$ 3,692,586</b>	<b>\$ 3,064,030</b>	<b>\$ 1,955,802</b>	<b>\$ 1,075,395</b>	<b>\$ 1,427,762</b>	<b>\$ 1,319,315</b>	<b>\$ 1,504,088</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 277,878	\$ 439,682	\$ 299,547	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,287
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	(2,821)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	1	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	1,072	8,701	1	10,494	9,597
<b>Total All Other Governmental Funds</b>	<b>\$ 275,057</b>	<b>\$ 436,052</b>	<b>\$ 295,917</b>	<b>\$ (3,628)</b>	<b>\$ (3,630)</b>	<b>\$ (2,558)</b>	<b>\$ 5,071</b>	<b>\$ 2</b>	<b>\$ 10,494</b>	<b>\$ 249,884</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Tax Levy	\$ 12,092,027	\$ 11,980,410	\$ 12,217,340	\$ 12,032,891	\$ 12,004,146	\$ 12,146,909	\$ 12,140,104	\$ 11,727,700	\$ 11,115,491	\$ 10,258,503
Tuition Charges	179,302	191,492	231,505	187,404	214,851	124,076	66,803	95,991	160,522	82,027
Interest Earnings	35,372	49,237	38,277	73,646	5,069	37,468	27,734	83,790	154,499	141,426
Miscellaneous	7,295,173	7,268,185	6,986,360	7,110,309	6,458,976	5,931,624	7,017,215	7,518,262	7,193,428	7,034,950
State Sources	330,232	327,556	371,007	348,577	498,671	1,378,380	342,805	333,470	350,967	339,064
Federal Sources										
<b>Total Revenue</b>	<b>19,932,106</b>	<b>19,816,880</b>	<b>19,844,489</b>	<b>19,752,827</b>	<b>19,181,713</b>	<b>19,618,457</b>	<b>19,594,661</b>	<b>19,759,213</b>	<b>18,974,907</b>	<b>17,855,970</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,471,789	5,303,490	5,297,351	5,183,958	5,092,056	5,100,450	4,920,746	4,789,042	4,562,001	4,446,265
Special Education Instruction	839,769	774,977	687,144	573,746	533,494	548,382	525,053	504,639	516,752	470,881
Basic Skill/Remedial Instruction	390,573	246,716	222,126	386,526	240,767	370,020	326,229	247,916	204,011	162,890
Bilingual Education								5,810	5,401	5,746
Other Instruction	47,786	65,471	57,919	63,143	32,280	63,582	51,235	42,960	46,584	47,084
<b>Support Services:</b>										
Tuition	3,496,071	3,838,861	4,011,053	3,579,020	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893	3,864,931
Student & Instruction Related Services	1,742,579	1,642,549	1,604,494	1,509,922	1,309,254	1,514,038	1,377,304	1,286,174	1,163,638	1,164,174
School Administrative Services	261,465	314,592	319,580	374,501	347,943	385,887	379,190	395,626	374,193	377,218
General & Business Administration Services	628,382	575,297	575,252	533,675	520,965	518,127	511,764	501,896	527,044	522,473
Plant Operations & Maintenance	1,546,971	1,466,792	1,431,213	1,335,059	1,341,378	1,333,638	1,226,154	1,228,585	1,251,158	1,211,558
Pupil Transportation	1,040,754	1,024,612	918,076	910,312	871,551	1,250,299	1,267,775	1,251,819	1,288,866	1,102,199
Allocated Benefits								1,670,079		
Unallocated Benefits	3,527,554	3,150,264	2,997,475	3,123,151	2,770,024	2,745,392	2,607,375	1,330,237	2,876,703	2,336,448
Special Schools								38,065	32,943	29,770
Capital Outlay	514,563	958,820	398,762	309,181	216,153	407,016	447,307	401,991	473,924	349,397
<b>Debt Service:</b>										
Principal	530,000	515,000	1,160,000	1,165,000	1,160,000	1,150,000	1,150,000	1,145,000	1,110,000	1,125,000
Interest & Other Charges	74,438	95,337	130,678	181,204	282,180	336,280	389,775	439,483	488,198	483,307
<b>Total Expenditures</b>	<b>20,112,694</b>	<b>19,972,778</b>	<b>19,811,123</b>	<b>19,228,398</b>	<b>18,302,378</b>	<b>20,195,588</b>	<b>19,847,434</b>	<b>20,127,582</b>	<b>19,230,309</b>	<b>17,699,341</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(180,588)	(155,898)	33,366	524,429	879,335	(577,131)	(252,773)	(368,369)	(255,402)	156,629
Other Financing Sources/(Uses):										
Capital Leases	-	-	79,514	104,129	288,578	-	247,135	406,290	213,103	148,931
Transfers In	26,983	626,310	346,200	-	-	1,600	-	8,701	-	-
Transfers Out	(26,983)	(626,310)	(346,200)	-	-	(1,600)	(30,000)	(48,701)	(40,000)	(39,069)
Total Other Financing Sources/(Uses)	-	-	79,514	104,129	288,578	-	217,135	366,290	173,103	109,862
Net Change in Fund Balances	\$ (180,588)	\$ (155,898)	\$ 112,880	\$ 628,558	\$ 1,167,913	\$ (577,131)	\$ (35,638)	\$ (2,079)	\$ (82,299)	\$ 266,491

Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.2%	6.6%	7.1%	8.0%	7.5%	7.9%	8.0%	8.5%	9.3%
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Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	CONTRIBUTIONS FROM PRIVATE SOURCES	PRIOR YEAR'S REFUNDS	MISCELLANEOUS	TOTAL
2016	\$ 179,302	\$ 7,804	\$ -	9,451	\$ 18,117	\$ 214,674
2015	191,492	7,141	-	19,291	22,805	240,729
2014	231,505	401	-	-	37,876	269,782
2013	187,404	235	18,315	-	67,411	273,365
2012	192,567	-	-	-	15,543	208,110
2011	214,851	-	18,315	-	5,069	238,235
2010	124,076	10,172	18,315	3,889	23,407	179,859
2009	66,803	21,801	5,091	-	5,933	99,628
2008	95,991	80,963	-	-	2,827	179,781
2007	160,522	136,620	3,701	539	13,639	315,021

Source: District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2016	\$ 19,925,100	\$ 399,501,400	\$ 8,452,700	\$ 2,406,800	\$ 119,935,500	\$ 502,114,060	\$ -	\$ 1,052,335,560	\$ 77,345,800	\$ -	\$ 1,052,335,560	1.194	\$ 1,140,372,302
2015	22,293,100	398,884,100	8,670,900	2,381,400	99,747,800	499,349,300	-	1,031,326,600	54,150,700	1,981,912	1,033,308,512	1.170	1,132,703,569
2014	25,939,500	398,969,100	7,496,200	2,411,800	101,380,300	507,829,381	-	1,044,026,281	54,256,900	1,893,488	1,045,919,769	1.145	1,154,257,912
2013	26,653,300	394,150,700	9,144,600	2,570,400	115,569,200	498,306,200	-	1,046,394,400	53,894,900	2,598,689	1,048,993,089	1.165	1,172,134,424
2012	17,647,900	227,011,800	4,700,000	2,829,700	64,805,410	295,799,517	-	612,794,327	20,734,600	1,507,222	614,301,549	1.959	1,135,014,497
2011	14,829,100	225,073,700	4,684,100	2,950,700	57,188,010	308,151,890	127,200	613,004,700	20,435,100	1,507,288	614,511,988	1.937	1,133,785,956
2010	14,383,900	222,037,200	5,116,100	3,089,400	57,892,600	314,055,690	127,200	616,702,090	20,519,500	1,607,525	618,309,615	1.941	1,184,274,305
2009	13,725,300	219,312,700	5,234,600	3,203,300	58,936,600	327,547,190	127,200	628,086,890	20,520,700	1,638,069	629,724,959	1.928	1,181,195,346
2008	13,990,100	215,398,700	5,011,200	3,208,400	334,464,800	45,871,890	127,200	618,072,290	18,838,900	1,632,771	619,705,061	1.959	1,095,967,784
2007	13,986,800	212,717,300	5,011,200	3,208,600	346,504,900	34,662,590	127,200	616,218,590	18,838,900	1,763,988	617,982,578	1.898	968,320,693

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

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

**LOGAN TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT			DIRECT RATE		OVERLAPPING RATES						TOTAL DIRECT & OVERLAPPING TAX RATE
	LOCAL SCHOOL	DEBT SERVICE	TOTAL DIRECT	LOGAN TOWNSHIP	GLOUCESTER COUNTY	COUNTY LIBRARY	OTHER	COUNTY LIBRARY	OTHER	COUNTY LIBRARY		
2016	1.156	0.038	1.194	0.478	0.686	0.053	0.055	0.053	0.055	0.053	0.055	2.466
2015	1.130	0.040	1.170	0.228	0.679	0.051	0.052	0.051	0.052	0.051	0.052	2.180
2014	1.105	0.040	1.145	0.228	0.639	0.051	0.045	0.051	0.045	0.051	0.045	2.108
2013	1.081	0.084	1.165	0.208	0.631	0.049	0.052	0.049	0.052	0.049	0.052	2.105
2012	1.810	0.149	1.959	0.345	0.948	0.078	0.075	0.078	0.075	0.078	0.075	3.405
2011	1.782	0.155	1.937	0.345	1.006	0.082	0.080	0.082	0.080	0.082	0.080	3.450
2010	1.782	0.159	1.941	0.345	1.043	0.083	0.082	0.083	0.082	0.083	0.082	3.494
2009	1.782	0.146	1.928	0.345	0.975	0.079	0.077	0.079	0.077	0.079	0.077	3.404
2008	1.804	0.155	1.959	0.345	0.924	0.075	0.072	0.075	0.072	0.075	0.072	3.375
2007	1.739	0.159	1.898	0.326	0.801	0.067	0.063	0.067	0.063	0.067	0.063	3.155

Source: District Records and Municipal Tax Collector

**LOGAN TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2016		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Venture I LP	\$99,953,000	1	9.498%
MEPT 1150 Commerce	30,000,000	2	2.851%
TR Birch Creek LLC	17,303,200	3	1.644%
SunTrust Bank	17,105,800	4	1.626%
Liberty Property LTD	16,392,200	5	1.558%
IIT Center Square DC LLC	14,347,700	6	1.363%
Duke Realty LP	14,003,700	7	1.331%
DGI LS LLC	13,675,800	8	1.300%
Prologis NA3 NC IV LLC	13,416,600	9	1.275%
IIT Pureland DC I LLC	11,750,000	10	1.117%
Total	<u>\$247,948,000</u>		<u>23.563%</u>

TAXPAYER	2007		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Ventures I, LLP	\$67,652,900	1	10.947%
Mid-Atlantic (Pureland) Incorporated	29,946,900	2	4.846%
Pureland VI Limited Partnership	21,461,400	3	3.473%
US Industrial REIT II	13,474,000	4	2.180%
Sun East Equity Funding	12,289,100	5	1.989%
Wachovia Development Corp.	10,000,000	6	1.618%
Allen Commercial Realty	7,400,000	7	1.197%
Cardinal Health 200, Inc.	7,162,100	8	1.159%
CLFP-NEBC Land Corporation	7,140,200	9	1.155%
Liberty Property LTD Partnership	7,089,100	10	1.147%
Total	<u>\$183,615,700</u>		<u>29.711%</u>

Source: Municipal Tax Assessor

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 12,092,027	\$ 12,092,027	100.00%	-
2015	11,980,410	11,980,410	100.00%	-
2014	12,217,340	12,217,340	100.00%	-
2013	12,032,891	12,032,891	100.00%	-
2012	11,905,912	11,905,912	100.00%	-
2011	12,004,146	12,004,146	100.00%	-
2010	12,146,909	12,146,909	100.00%	-
2009	12,140,104	12,140,104	100.00%	-
2008	11,727,700	11,727,700	100.00%	-
2007	11,115,491	11,115,491	100.00%	-
2006	10,258,503	10,258,503	100.00%	-

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



**LOGAN TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		
2016	\$ 1,630,000		\$ 26,514	\$ 1,656,514	N/A
2015	2,160,000	-	82,406	2,242,406	376
2014	2,675,000	-	200,140	2,875,140	478
2013	5,000,000	-	235,050	5,235,050	676
2012	5,000,000	-	319,599	5,319,599	878
2011	6,165,000	-	301,735	6,466,735	1,070
2010	7,325,000	-	482,670	8,947,988	1,133
2009	8,475,000	-	472,988	9,930,322	1,433
2008	9,625,000	-	305,322	11,005,661	1,778
2007	10,770,000	-	235,661	12,062,383	1,960

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2016	\$ 1,630,000		\$ 1,630,000	0.15%	272
2015	2,160,000	-	2,160,000	0.21%	359
2014	2,675,000	-	2,675,000	0.26%	445
2013	5,000,000	-	5,000,000	0.48%	831
2012	6,165,000	-	6,165,000	1.00%	1,017
2011	7,325,000	-	7,325,000	1.18%	1,212
2010	8,475,000	-	8,475,000	1.35%	1,403
2009	9,625,000	-	9,625,000	1.56%	1,541
2008	10,770,000	-	10,770,000	1.71%	1,740
2007	11,880,000	-	11,880,000	1.92%	1,930

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2014**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Logan	\$ 6,776,577	100.00%	\$ 6,776,577
County of Gloucester General Obligation Debt	237,760,175	4.46%	<u>10,607,109</u>
Subtotal, Overlapping Debt			17,383,686
Logan Township School District Direct Debt			<u>1,630,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 19,013,686</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Logan Township or Gloucester County Board of Taxation.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 34,211,003	\$ 34,713,892	\$ 34,601,417	\$ 34,905,264	\$ 35,063,710	\$ 35,488,312	\$ 34,501,243	\$ 32,190,631	\$ 28,195,875	\$ 24,322,278
Total Net Debt Applicable to Limit	1,630,000	2,160,000	2,675,000	3,835,000	5,000,000	6,165,000	7,325,000	8,475,000	9,625,000	10,770,000
Legal Debt Margin	\$ 32,581,003	\$ 32,553,892	\$ 31,926,417	\$ 31,070,264	\$ 30,063,710	\$ 29,323,312	\$ 27,176,243	\$ 23,715,631	\$ 18,570,875	\$ 13,552,278
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.76%	6.22%	7.73%	10.99%	14.26%	17.37%	21.23%	26.33%	34.14%	44.28%

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized Valuation Basis
	2015 \$ 1,117,605,765
	2014 1,146,651,599
	2013 1,156,842,897
	<u>\$ 3,421,100,261</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,140,366,754</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	<u>34,211,003</u> <u>1,630,000</u>
Legal Debt Margin	<u>\$ 32,581,003</u>

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 NJS A 18A:24-19 for a K through 12 district; other % limits would be applicable for other district:

**LOGAN TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2016	N/A	N/A	N/A
2015	5,983	N/A	4.8%
2014	5,994	46,603	5.4%
2013	6,005	45,011	8.6%
2012	6,027	44,392	4.3%
2011	6,046	23,235	4.2%
2010	6,047	41,512	4.3%
2009	6,285	40,991	4.1%
2008	6,256	41,306	2.7%
2007	6,205	39,110	2.1%

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2016		
	(1) EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	
Kennedy Memorial Hospital	1,675	2	
Washington Township School District	1,592	3	
Rowan University	1,483	4	
County of Gloucester	1,354	5	
MISSA Bay LLC	950	6	
Monroe Twp School District	806	7	
U.S. Foodservice	725	8	
ExxonMobil Research & Engineering	540	9	
LaBrea Bakery	525	10	
	11,475		N/A

2007

N/A

This exhibit reflects principal employers for Gloucester County.

Source: (1) Gloucester County Office of Economic Development for company and employee data.

(2) New Jersey Department of Labor and Workforce Development for the total employment data.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Instruction:</b>											
Regular	63	64	63	63	63	69	73	71	75	75	75
Special Education	14	13	12	9	10	9	9	9	7	7	7
Other Special Education	7	4	4	5	5	4	3	3	3	3	3
<b>Support Services:</b>											
Student & Instruction Related Services	26	27	26	29	25	23	20	20	20	20	20
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	4	3	3	3	5	6	6	5	5	5
Central Services	3	2	2	2	2	3	3	3	4	4	4
Administrative Information Technology	1	1	1	1	1	1	3	3	2	2	2
Plant Operations & Maintenance	6	5	5	5	5	5	6	6	3	3	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1	1
Food Service	-	-	-	-	1	2	2	2	4	4	4
<b>Total</b>	<b>127</b>	<b>123</b>	<b>119</b>	<b>120</b>	<b>118</b>	<b>124</b>	<b>128</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>

Source: School District Records.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2016	850	\$ 18,993,693	22,346	3.46%	83	10.2:1		849.4	817.6	1.25%	96.26%
2015	843	18,403,621	21,831	4.08%	79	10.7:1		832.9	800.9	-0.63%	96.16%
2014	839	18,121,683	21,599	2.97%	80	10.5:2		838.9	805.6	0.08%	96.03%
2013	838	17,577,304	20,975	9.16%	80	9.6:1		838.2	799.3	-4.64%	95.36%
2012	879	16,890,270	19,215	0.90%	81	10.8:1		879.0	846.1	0.56%	96.26%
2011	874	16,644,045	19,044	-4.04%	83	10.5:1		874.1	840.5	-3.23%	96.16%
2010	903	18,301,292	19,845	0.00%	85	10.6:1		903.3	865.5	3.14%	96.00%
2009	900	17,860,352	19,845	-4.17%	82	11.0:1		899.7	863.7	2.73%	96.00%
2008	876	18,141,108	20,709	12.61%	82	11.4:1		875.8	842.1	-5.74%	96.15%
2007	933	17,158,187	18,390	8.53%	82	11.3:1		933.4	895.7	0.46%	95.96%

**Sources:** District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR  
REVISED**

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Elementary Schools:										
Logan Township (1991):										
Square Feet	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068
Capacity (Students)	877	877	877	877	877	877	877	877	877	877
Enrollment	613	615	605	610	657	650	651	672	658	728
Center Square (2001):										
Square Feet	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135
Capacity (Students)	266	266	266	266	266	266	266	266	266	266
Enrollment (a)	237	228	234	228	222	224	252	227	218	202

Number of Buildings at June 30, 2016:

- Elementary = 2
- Middle = 0
- High School = 0
- Other = 0

**Source:** District Facilities Office, Long Range Facility Plan - FES and District Capacity report.



**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

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

	LOGAN TOWNSHIP ELEMENTARY	CENTER SQUARE ELEMENTARY	TOTAL
2016	\$ 159,531	\$ 53,650	\$ 213,181
2015	159,622	35,634	195,256
2014	133,803	34,549	168,352
2013	116,326	51,784	168,110
2012	115,606	53,582	169,188
2011	98,680	43,685	142,365
2010	95,490	31,141	115,688
2009	87,605	28,083	115,688
2008	24,564	99,644	124,208
2007	72,864	36,367	109,231

Total School Facilities

\* 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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy:</b>		
Property		
Blanket Building & Contents	\$ 43,057,205	\$ 1,000
Pollution	1,000,000	-
Blanket Dishonesty-Crime Coverage		
Per Person	100,000	-
Per Loss	400,000	1,000
General Liability	5,000,000	-
Automobile	5,000,000	-
Automobile Comprehensive & Collision Coverage	-	1,000
School Board Legal Liability	5,000,000	5,000
Workers Compensation Including Supplemental	5,000,000	-
Excess Liability-Auto, General Liability,		
Workers Compensation & School Board Legal	15,000,000	-
Student Accident		
Maximum Benefit Per Injury	1,000,000	-
Surety Bonds:		
Treasurer	250,000	-
Business Administrator	5,000	-

Source: District records

**SINGLE AUDIT SECTION**

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EXHIBIT K-1

**INDEPENDENT AUDITOR’S 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**

Honorable President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Logan Township Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Logan Township Board of Education’s basic financial statements, and have issued our report thereon dated November 22, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Logan Township Board of Education’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 Logan Township Board of Education’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Logan Township Board of Education’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 District’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
November 22, 2016



EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

**Report on Compliance for Each Major State Program**

We have audited the Logan Township Board of Education’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major state programs for the year ended June 30, 2016. The Logan Township Board of Education’s major state programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management’s Responsibility**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of Logan Township Board of Education’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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance 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 Logan Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Logan Township Board of Education's compliance with those requirements.

### **Opinion on Each Major State Program**

In our opinion, the Logan Township Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Logan Township Board of Education 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 Logan Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's 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 Logan Township Board of Education's internal control over compliance.

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

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



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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
November 22, 2016

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LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR JUNE 30, 2016
					AT JUNE 30, 2015	AT JUNE 30, 2016						
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH</b>												
<b>STATE DEPARTMENT OF EDUCATION:</b>												
<b>Enterprise Fund:</b>												
<b>Child Nutrition Cluster</b>												
Noncash Assistance	10.565	1616INJ304NI099	10,326	7/1/15-6/30/16	\$ -	\$ -	10,326	\$ (10,326)	\$ -	\$ -	\$ -	\$ -
Food Distribution Program												
Cash Assistance	10.555	1616INJ304NI099	79,339	7/1/15-6/30/16	-	-	63,794	(79,339)	-	(15,545)	-	-
National School Lunch Program	10.555	1515INJ304NI099	81,044	7/1/14-6/30/15	(15,165)	-	15,165	-	-	-	-	-
National School Breakfast Program	10.553	1616INJ304NI099	11,349	7/1/15-6/30/16	-	-	8,480	(11,349)	-	(2,869)	-	-
National School Breakfast Program	10.553	1515INJ304NI099	10,051	7/1/14-6/30/15	(1,423)	-	1,423	-	-	-	-	-
Total Child Nutrition Cluster			99,188		(16,588)	-	99,188	(101,014)	-	(18,414)	-	-
Total Enterprise Fund			99,188		(16,588)	-	99,188	(101,014)	-	(18,414)	-	-

U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH  
STATE DEPARTMENT OF EDUCATION:

<b>Special Revenue Fund:</b>												
<b>N.C.L.B.</b>												
Title I	84.010	S010A140030	90,540	7/1/14-6/30/15	(26,745)	-	26,745	-	-	-	-	-
Title I	84.010	S010A150030	90,295	7/1/15-6/30/16	-	(89,851)	65,367	(89,851)	-	(24,484)	-	-
Subtotal			180,835		(26,745)	(89,851)	92,112	(89,851)	-	(24,484)	-	-
Title II - Part A	84.367	S367A140029	17,655	7/1/14-6/30/15	(6,335)	-	6,335	-	-	-	-	-
Title II - Part A	84.367	S367A150029	16,964	7/1/15-6/30/16	-	(15,858)	15,857	(15,858)	-	(1)	-	-
Subtotal			34,619		(6,335)	(15,858)	22,192	(15,858)	-	(1)	-	-
Title III	84.365	S365A140009	1,725	7/1/14-6/30/15	(1,232)	-	1,232	-	-	-	-	-
Title III	84.365	S365A150009	1,591	7/1/15-6/30/16	-	(1,591)	1,837	(1,591)	-	-	-	-
Subtotal			3,316		(1,232)	(1,591)	3,069	(1,591)	-	-	-	-
I.D.E.A. - Basic	84.027	H027A140100	210,384	7/1/14-6/30/15	(21,038)	-	21,038	-	-	-	-	-
I.D.E.A. - Basic	84.027	H027A150100	214,878	7/1/15-6/30/16	-	(214,649)	185,342	(214,649)	-	(29,307)	-	-
Subtotal			425,262		(21,038)	(214,649)	206,380	(214,649)	-	(29,307)	-	-
I.D.E.A. - Preschool	84.173	S173A140114	8,002	7/1/14-6/30/15	(1,542)	-	1,542	-	-	-	-	-
I.D.E.A. - Preschool	84.173	S173A150114	8,182	7/1/15-6/30/16	-	(8,172)	7,590	(8,172)	-	(582)	-	-
Subtotal			16,184		(1,542)	(8,172)	9,132	(8,172)	-	(582)	-	-
Race to the Top	84.395	N/A		7/1/15-6/30/16	-	(111)	111	(111)	-	-	-	-
Subtotal					-	(111)	111	(111)	-	-	-	-
Total Special Revenue Fund			332,996		(56,892)	(330,232)	332,996	(330,232)	-	(54,374)	-	246
Total Federal Financial Assistance			\$ 73,480		\$ 432,184	\$ (431,246)	\$ -	\$ (72,788)	\$ -	\$ -	\$ -	\$ 246

LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR JUNE 30, 2016	MEMO	
				JUNE 30, 2015	JUNE 30, 2016							BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education</b>													
General Fund:													
State Aid Cluster													
Equalization Aid	16-495-034-5120-078	\$ 3,990,950	7/1/15-6/30/16	\$ -	\$ 3,990,950	\$ (3,990,950)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (389,941)	\$ 3,990,950
Special Education Categorical Aid	16-495-034-5120-089	633,953	7/1/15-6/30/16	-	633,953	(633,953)	-	-	-	-	-	(61,941)	633,953
Security Aid	16-495-034-5120-084	101,621	7/1/15-6/30/16	-	101,621	(101,621)	-	-	-	-	-	(9,929)	101,621
Adjustment Aid	16-495-034-5120-085	220,299	7/1/15-6/30/16	-	220,299	(220,299)	-	-	-	-	-	(21,525)	220,299
School Choice Aid	16-495-034-5120-096	42,488	7/1/15-6/30/16	-	42,488	(42,488)	-	-	-	-	-	(4,151)	42,488
PARCC Readiness Aid	16-495-034-5120-098	10,620	7/1/15-6/30/16	-	10,620	(10,620)	-	-	-	-	-	(1,038)	10,620
Per Pupil Growth Aid	16-495-034-5120-097	10,620	7/1/15-6/30/16	-	10,620	(10,620)	-	-	-	-	-	(1,038)	10,620
<b>Total State Aid Cluster</b>				-	5,010,551	(5,010,551)	-	-	-	-	-	(489,563)	5,010,551
Transportation Aid	16-495-034-5120-014	384,544	7/1/15-6/30/16	-	384,544	(384,544)	-	-	-	-	-	(37,572)	384,544
Extraordinary Aid	16-495-034-5120-473	51,057	7/1/15-6/30/16	-	51,057	(51,057)	-	(51,057)	-	-	-	-	51,057
Extraordinary Aid	15-495-034-5120-473	32,129	7/1/14-6/30/15	(32,129)	32,129	-	-	-	-	-	-	-	-
Non Public Transportation Aid	16-495-034-5120-068	14,601	7/1/15-6/30/16	-	14,601	(14,601)	-	(14,601)	-	-	-	-	14,601
Non Public Transportation Aid	15-495-034-5120-068	12,956	7/1/14-6/30/15	(12,956)	12,956	-	-	-	-	-	-	-	-
On-Behalf TPAF Social Security Reimbursement	16-495-034-5095-002	477,682	7/1/15-6/30/16	-	453,959	(477,682)	-	(23,723)	-	-	-	-	477,682
On-Behalf TPAF Social Security Reimbursement	15-495-034-5095-002	428,623	7/1/14-6/30/15	(22,033)	22,033	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	16-495-034-5095-006	467,024	7/1/15-6/30/16	-	467,024	(467,024)	-	-	-	-	-	-	467,024
On-Behalf TPAF Medical Contribution	16-495-034-5095-006	556,098	7/1/15-6/30/16	-	556,098	(556,098)	-	-	-	-	-	-	556,098
<b>Total General Fund</b>				(67,118)	6,939,294	(6,961,557)	-	(89,381)	-	-	-	(527,135)	6,961,557
<b>Special Revenue Fund:</b>													
Preschool Education Aid	16-495-034-5120-086	36,300	7/1/15-6/30/16	-	32,670	(35,491)	-	(2,821)	-	-	-	(3,630)	35,491
Preschool Education Aid	15-495-034-5120-086	36,300	7/1/14-6/30/15	(3,630)	3,630	-	-	-	-	-	-	-	-
<b>Total Special Revenue Fund</b>				(3,630)	36,300	(35,491)	-	(2,821)	-	-	-	(3,630)	35,491
<b>Capital Projects Fund:</b>													
SDA Grant - Cooling Tower Replacement	G5-5145	230,800	7/1/13-6/30/16	(152,551)	-	-	-	-	(152,551)	-	-	-	-
SDA Grant - Boiler Replacement	G5-5146	183,892	7/1/14-6/30/16	(77,556)	-	(59,274)	-	-	(136,830)	-	-	-	59,274
SDA Grant - HVAC in Gym	G5-5143	185,600	7/1/14-6/30/16	(120,952)	-	(6,410)	-	-	(127,362)	-	-	-	6,410
SDA Grant - Exterior Doors	G5-5144	48,048	7/1/14-6/30/16	(4,160)	-	(43,783)	-	-	(47,943)	-	-	-	43,783
<b>Total Capital Projects Fund</b>				(355,219)	-	(109,467)	-	-	(464,686)	-	-	-	109,467
<b>Debt Service Fund:</b>													
Debt Service Aid Type II	16-495-034-5120-125	192,050	7/1/15-6/30/16	-	192,050	(192,050)	-	-	-	-	-	-	192,050
<b>Total Debt Service Fund</b>				-	192,050	(192,050)	-	-	-	-	-	-	192,050
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	16-100010-3360-067	3,193	7/1/15-6/30/16	-	2,572	(3,193)	-	(621)	-	-	-	-	3,193
National School Lunch Program (State Share)	15-100010-3360-067	3,345	7/1/14-6/30/15	(716)	716	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				(716)	3,288	(3,193)	-	(621)	-	-	-	-	3,193
<b>Total State Financial Assistance</b>				\$ (426,683)	\$ 7,170,932	\$ (7,301,758)	\$ -	\$ (557,509)	\$ -	\$ -	\$ -	\$ (530,765)	\$ 7,301,758
Less: Grants Not Subject to Type A/B Threshold Calculation:													
On-Behalf TPAF Pension Contributions	16-495-034-5095-001	467,024	7/1/15-6/30/16			467,024							
On-Behalf TPAF Post-Retirement Medical	16-495-034-5095-001	556,098	7/1/15-6/30/16			556,098							
<b>Total State Financial Assistance subject to Major Program Determination</b>						\$ (6,278,636)							

**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Logan Township School District. The Board of Education is defined in Note 1 to the Board's 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.

**2. Basis of Accounting**

The accompanying Schedule of Expenditures of State 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 New Jersey OMB's 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.

Of the state expenditures presented in the Schedule of Expenditures of State Financial Assistance, the Logan Township Board of Education did not provide any state awards to sub recipients.

Noncash assistance is reported in the Schedule of Expenditures of State Financial Assistance as the value, as determined by the State of New Jersey, of the On-Behalf payments made by the State for Pensions and Post-Retirement Medical Contributions during the year ended June 30, 2016.

The Logan Township Board of Education has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

**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 two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes 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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

**3. Relationship to Basic Financial Statements (continued):**

related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(8,863) for the general fund and \$809 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 as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ -	\$6,957,356	\$6,957,356
Special Revenue Fund	330,232	36,300	378,751
Capital Projects Fund		109,467	109,467
Food Service Fund	101,014	3,193	104,207
Debt Service Fund	-	192,050	192,050
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$431,246</u>	<u>\$7,298,366</u>	<u>\$7,741,831</u>

**Note 4. Relationship to State Financial Reports**

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

**Note 5. Other**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF social security contributions represent 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.

**Note 6. Federal and State Loans Outstanding**

Logan Township Board of Education had no loan balances outstanding at June 30, 2016.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

**Federal Awards – NOT APPLICABLE**

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

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

**Identification of major programs:**

<b>CFDA Number(s)</b>	<b>FAIN Number(s)</b>	<b>Name of Federal Program or Cluster</b>
		NOT APPLICABLE

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
3) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance or NJ OMB Circular Letter 15-08 as applicable?	None Reported

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
State Aid Cluster:	
16-495-034-5120-078	Equalization Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-096	School Choice Aid

**Section II – Financial Statement Findings**

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

No Current Year Findings



**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2016**

**Section III – State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular Letter 15-08, as applicable.

No Current Year Findings

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (.511 (a)(b)) and New Jersey OMB's Circular Letter 04-04 and/or 15-08, as applicable.

No Prior Year Findings