

SCHOOL DISTRICT
OF
TOWNSHIP OF MAURICE RIVER

COMPREHENSIVE ANNUAL
Financial Report

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

or the Fiscal Year Ended June 30, 2016

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Maurice River Township Board of Education

Finance Department

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OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

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October 25, 2016

Honorable President and
Members of the Board of Education
Maurice River Township School District
Cumberland County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control 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:

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2015-2016 fiscal year with a June enrollment of 408 students, which is 16 students less than the previous year. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	408.0	(3.77)%
2014-15	424.0	.24%
2013-14	423.0	(2.34)%
2012-13	436.2	11.64%
2011-12	393.4	5.72%
2010-11	372.1	(3.97)%
2009-10	387.5	(2.64)%
2008-09	398.0	.63%
2007-08	395.5	.79%
2006-07	392.4	(3.35)%

2. ECONOMIC CONDITION AND OUTLOOK:

Maurice River Township is not experiencing any measurable growth in development or expansion. There are no large businesses located in the Township, but the small industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and provinciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2016 is \$299,516,709, which is less than the prior year by \$1,555,838.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District continues it's "Choice" District status and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will continue to attract choice students, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

3. MAJOR INITIATIVES:

Maurice River Township School District prepares all students for success at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Common Core Standards play a major role in this initiative. Technology plays an increasingly important role in the curriculum, including the installation of Smartboard Technology for grades K-8 with laptops and professional development training for all teachers, the creation of three state of the art computer labs; installation of a wireless network, and an IPOD Program. The district has also implemented a "bring your own device"

3. MAJOR INITIATIVES (CONT'D):

program. Students may conduct research through controlled access to the Internet, enhancing research and writing skills.

In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

The school district continues to implement "The Marzano Teaching Evaluation Method", a web-based teacher evaluation program required by the State of New Jersey. The school district also continues to implement the Aims web student assessment program in combination with the "RTI" program for struggling students.

The District was fortunate enough to purchase new math, language arts, reading, science and social studies texts and resource materials, for implementation in the 2011-2012 and 2012-2013 school years. New desks and chairs were purchased for grades K through 6 and new computers, tables and chairs were purchased for the newly established third computer lab. The District has now embarked on a "one to one initiative", purchasing chromebooks for nearly all middle school students. This new technology will further accommodate PARCC testing and to provide a mobile technological resource for the middle school students. A state of the art interior and exterior surveillance system is maintained. The transportation fleet has also been equipped with an updated surveillance system. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers. The district has now begun to move in the direction of facility improvement to maintain the functionality of its current facility. With 2014-2015 surplus monies, the district seal coated and re-lined its parking lot, re-roofed the board office and shed, re-painted its playground equipment and landscaped the lawn area in front of the school building. During the 2015-2016, the District improved drainage areas at the front of its driveway and in its side parking lot. Roofing repairs were also made. The District hopes to continue these facility/grounds improvements.

The district provides adequate medical services and student services, including guidance and counseling, programs for at-risk, special education and Title One students, and has a pre-school program. Special education services are provided through self-contained settings, In and Out of class placements and In and Out of class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District's "Choice" status has partially offset the effect of these variables. The limitations being placed on Choice are concerning.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its "Choice District" status to increase enrollment and ensure its future existence.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control 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 process 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process 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 internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated 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. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

On January 1, 1998 the District incurred bond indebtedness for \$2,994,000 for a facility project to be amortized over the next 25 years. The balance in bonds payable at June 30, 2016 is \$875,000.

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 3. 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, and fidelity bonds.


10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report 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 Maurice River Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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,

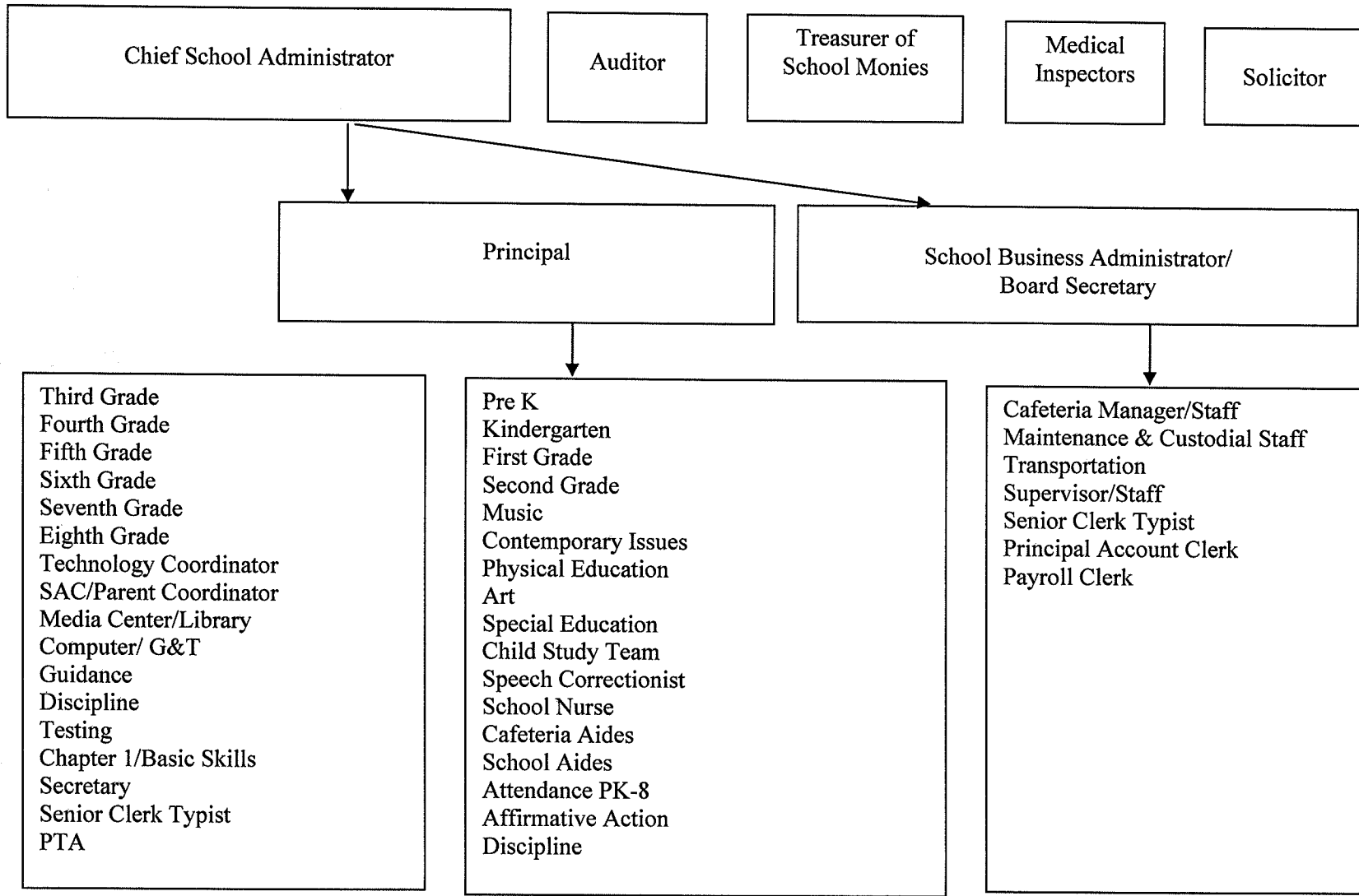


Mr. Walter Kappeler, Jr., Superintendent of Schools



Patricia Powell, School Business Administrator/Board Secretary

Township of Maurice River School District
Organizational Chart



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PORT ELIZABETH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Penny Wells, President	2018
Donna Justis, Vice President	2018
Robert Chard	2017
Charles Ciaurelli	2017
Marie Nessuno	2016
Brandy Woolson	2016

OTHER OFFICIALS

Mr. Walter Kappeler, Jr., Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Lynn Burshtin, Custodian of School Monies

Frank DiDomenico, Esq., Solicitor

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico, Esquire
8 LaSalle Drive
Vineland, NJ 08360

OFFICIAL DEPOSITORY

Bank of America
Commerce and Laurel Streets
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

INSURANCE AGENT

Conner Strong & Buckelew Companies, Inc.
40 Lake Center Executive Park
401 Rt. 73 North, Suite 300
Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

October 25, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey

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 Board of Education of the Maurice River Township School District in the County of Cumberland, 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 Maurice River Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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, business-type activities, each major fund, and the aggregate remaining fund information of the Maurice River Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, 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 and budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, identified 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 Maurice River Township Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the 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 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.


The introductory and statistical sections have not been subject 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 a report dated November 16, 2016 on our consideration of the Maurice River Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Maurice River Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
MAURICE RIVER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

UNAUDITED

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

❖ **Financial Highlights**

Key financial highlights for 2016 are as follows:

- ❖ General revenues accounted for \$7,659,543 in revenue or 78% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,116,850 or 22% percent to total revenues of \$9,776,393.
- ❖ Total net position of governmental activities increased by a net amount of \$25,003 in the areas of cash and cash equivalents and capital assets.
- ❖ The School District had \$9,749,111 in expenses, of which \$2,116,850 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were adequate to provide for these programs.
- ❖ The General Governmental Fund had \$8,131,323 in revenues, \$8,176,267 in expenditures and \$25,000 in transfers to the Food Service Fund. The General Fund's balance decreased \$69,944 over 2015. This decrease was anticipated by the Board of Education.

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 Maurice River 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.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District’s net position for the years ended in 2016 and 2015.

	2016	2015
Assets		
Current and Other Assets	\$ 1,167,203	\$ 1,247,349
Capital Assets, Net	2,791,597	2,794,211
Total Assets	3,958,800	4,041,560
Deferred Outflows of Resources		
Deferred Pension Outflows	319,720	121,808
Liabilities		
Long-term Liabilities	940,266	1,090,059
Other Liabilities	1,944,922	1,675,627
Total Liabilities	2,885,188	2,765,686
Deferred Outflows of Resources		
Deferred Pension Inflows	67,886	99,518
Net Position		
Invested in Capital Assets, Net of Debt	1,916,597	1,769,211
Restricted	1,274,522	1,411,384
Unrestricted (Deficit)	(1,865,673)	(1,882,431)
Total Net Position	\$ 1,325,446	\$ 1,298,164

Table 2 shows the changes in net position from fiscal year's 2016 and 2015.

Table 2
Changes in Net Position

	2016	2015
Revenues		
Programs Revenues		
Charges for Services	\$ 46,367	\$ 49,401
Operating Grants and Contributions	2,070,483	1,537,745
General Revenues		
Property Taxes	2,814,340	2,799,487
Grants and Entitlements	4,785,834	4,788,495
Other	59,369	76,876
Total Revenues	9,776,393	9,252,004
Program Expenses		
Instruction	2,234,657	2,201,174
Support Services		
Tuition	2,460,471	2,311,928
Pupils and Instructional Staff	652,274	598,703
General Administration, School		
Administration, Business	504,948	504,886
Operations and Maintenance of		
Facilities	548,664	554,147
Security		
Pupil Transportation	416,901	456,013
Employee Benefits	2,532,714	2,136,720
Interest on Debt	38,913	45,138
Food Service	180,138	176,967
Other	179,431	191,948
Total Expenses	9,749,111	9,177,624
Increase in Net Position	\$ 27,282	\$ 74,380

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues from governmental activities were \$7,659,543 for the fiscal year ended June 30, 2016 and property taxes made up 37% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2016. Federal, state and local grants accounted for another 62%. Miscellaneous revenues made up the remaining 1%. The net cost of all Governmental Activity programs and services was \$7,609,540. Instruction of \$1,943,502 comprises 26% of these expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that placed on the District by each of these functions.

Table 3

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 2,234,657	\$ 1,943,502	\$ 2,201,174	\$ 2,015,570
Support Services				
Tuition	2,460,471	2,460,471	2,311,928	2,311,928
Pupils and Instructional Staff	652,274	488,855	598,703	451,252
General Administration, School Administration, Business	504,948	504,948	504,886	504,886
Operation and Maintenance of Facilities	548,664	548,664	554,147	554,147
Security				
Pupil Transportation	416,901	416,901	456,013	456,013
Employee Benefits	2,532,714	1,027,855	2,136,720	1,041,368
Interest and Fiscal Charges	38,913	38,913	45,138	45,138
Other	179,431	179,431	191,948	191,948
Total Expenses	<u>\$ 9,568,973</u>	<u>\$ 7,609,540</u>	<u>\$ 8,775,078</u>	<u>\$ 7,925,620</u>

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

Pupils and instructional staff 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 include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

Business-Type Activities

Revenues for the District’s business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses of \$180,138 were more than revenues by \$22,721. This decrease in net position resulted in an ending balance of \$79,411, which includes a transfer \$25,000 from the general fund.
- ❖ Charges for services represent \$46,367 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$111,050.

The School District’s Funds

Information about the School District’s major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$8,859,282 and expenditures of \$8,921,389. The net positive/negative change in fund balance was (\$62,107). There was also a board contribution to the Food Service Fund, in the amount of \$25,000. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 2,873,709	32.5%	\$ (2,654)	-0.1%
State Sources	5,680,274	64.1%	284,769	5.3%
Federal Sources	305,299	3.4%	19,646	6.9%
Total	\$ 8,859,282	100.1%	\$ 301,761	3.5%

The decrease in Local Sources is attributed to decreases in miscellaneous and interest earnings of \$8,428 and transportation charges of \$9,079, offset by an increase in local tax levy of \$14,853.

The increase in State Sources is attributed to increases in general fund state aid of \$135,248, grants for special projects of \$147,792 and debt service \$1729.

The increase in Federal Sources is attributed to various net increases in special revenue awards of \$19,953, offset by decrease in general fund federal aid of \$307.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,234,657	25.0%	\$ 33,483	1.5%
Undistributed Expenditures	6,410,988	71.9%	388,798	6.5%
Capital Outlay	83,831	0.9%	83,831	100.0%
Debt Service:				
Principal	150,000	1.7%	10,000	7.1%
Interest	41,913	0.5%	(6,450)	-13.3%
Total	\$ 8,921,389	100.0%	\$ 509,662	6.5%

The increase in instruction is attributed to increases in special education costs of \$27,222 and other special instruction costs of \$7,278, offset by a decrease in regular instruction costs of \$1,017.

The increase in Undistributed Expenditures is attributed to increases of \$148,543 in tuition, \$53,571 in student & instruction related services, \$89,701 in plant operations, \$136,033 in employee benefits and \$62 in school administration and central services, offset by a decrease in transportation of \$39,112.

The increase in Capital Outlay expenditures is attributed to increases in expenditures for both instructional and support equipment of \$83,831.

The increase in Debt Service of \$3,550 is attributed to an increase in principle of \$10,000, combined with a reduction in interest payments of \$6,450 on the bond issue.

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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2016, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$960,755, would roughly equal expenditures, the actual results for the year shows a \$66,670 decrease in revenue over expenditures. The overall positive variance, combining revenues with expenditures was \$894,085, as shown on Exhibit C-1.

- ❖ Actual revenues were \$42,371 more than expected, excluding contributions for On-Behalf Pension and Social Security State Aid of \$604,203. This was due to School Choice, Non-public Transportation and Extraordinary Aid totaling \$35,832, offset by reduced transportation fees to other LEA's and miscellaneous revenues of \$6,539. The result is a positive variance of \$646,574, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$851,714 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$604,203, resulting in the reported favorable variance of \$247,511, as shown on Exhibit C-1.

Capital Assets

At the end of the fiscal year 2016, the School District had \$2,791,597 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2016</u>	<u>2015</u>
Land	\$ 62,441	\$ 62,441
Land Improvements	62,969	
Building and Improvements	2,372,207	2,427,909
Equipment	293,980	303,861
Totals	<u>\$ 2,791,597</u>	<u>\$ 2,794,211</u>

Overall capital assets decreased \$2,614 in fiscal year 2016. There were no increases in capital assets, and the decrease was for depreciation expense and retirements.

Debt Administration

At June 30, 2016, the School District had \$935,875 as outstanding debt. Of this amount \$60,875 is for compensated absences and the balance of \$875,000 for bonds related to school construction.

At June 30, 2016, the School District's overall legal debt margin was \$9,062,095 and the unvoted debt margin was \$8,187,095.

	<u>Date Of Issue</u>	<u>Amount of Issue</u>	<u>Balance at June 30, 2016</u>
Addition to the Elementary School Building Refunding Issue	1/1/2007	\$ 1,950,000	\$ 875,000

For the Future

The Maurice River Township School District hopes to continue its "Choice" status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,056,921	\$ 45,507	\$ 1,102,428
Receivables, Net	43,276	17,572	60,848
Inventory		3,927	3,927
Capital Assets, Net (Note 5):	2,768,518	23,079	2,791,597
Total Assets	<u>3,868,715</u>	<u>90,085</u>	<u>3,958,800</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	319,720		319,720
LIABILITIES			
Accounts Payable	34,959	2,643	37,602
Accrued Interest	17,956		17,956
Unearned Revenue		3,640	3,640
Net Pension Liability	1,885,724		1,885,724
Non-current Liabilities (Note 6):			
Due Within One Year	201,483		201,483
Due Beyond One Year	734,392	4,391	738,783
Total Liabilities	<u>2,874,514</u>	<u>10,674</u>	<u>2,885,188</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	67,886		67,886
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	1,893,518	23,079	1,916,597
Restricted For:			
Capital Reserve	90,000		90,000
Tuition Reserve	374,373		374,373
Maintenance Reserve	237,000		237,000
Emergency Reserve	250,000		250,000
Special Revenue (Deficit)	(24,791)		(24,791)
Other Purposes	347,940		347,940
Unrestricted (Deficit)	(1,922,005)	56,332	(1,865,673)
Total Net Position	<u>\$ 1,246,035</u>	<u>\$ 79,411</u>	<u>\$ 1,325,446</u>

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 1,740,939	\$	\$ 291,155	\$ (1,449,784)		\$ (1,449,784)
Special Education	440,607			(440,607)		(440,607)
Other Special Instruction	53,111			(53,111)		(53,111)
Support Services:						
Tuition	2,460,471			(2,460,471)		(2,460,471)
Student & Instruction Related Services	652,274		163,419	(488,855)		(488,855)
General and Business Administrative Services	140,969			(140,969)		(140,969)
School Administrative Services	156,973			(156,973)		(156,973)
Central Services	207,006			(207,006)		(207,006)
Plant Operations and Maintenance	548,664			(548,664)		(548,664)
Pupil Transportation	416,901			(416,901)		(416,901)
Employee Benefits	2,532,714		1,504,859	(1,027,855)		(1,027,855)
Interest on Long-term Debt	38,913			(38,913)		(38,913)
Unallocated Depreciation	179,431			(179,431)		(179,431)
Total Governmental Activities	9,568,973		1,959,433	(7,609,540)		(7,609,540)
Business-type Activities:						
Food Service	180,138	46,367	111,050		(22,721)	(22,721)
Total Business-type Activities	180,138	46,367	111,050		(22,721)	(22,721)
Total Primary Government	\$ 9,749,111	\$ 46,367	\$ 2,070,483	(7,609,540)	(22,721)	(7,632,261)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,715,879		2,715,879
Taxes Levied for Debt Service				98,461		98,461
Federal and State Aid Not Restricted				4,785,834		4,785,834
Transportation Charges				55,122		55,122
Investment Earnings				184		184
Miscellaneous Income				4,063		4,063
Transfer				(25,000)	25,000	
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,634,543	25,000	7,659,543
Change in Net Position				25,003	2,279	27,282
Net Position—Beginning (Restated)				1,221,032	77,132	1,298,164
Net Position—Ending				\$ 1,246,035	\$ 79,411	\$ 1,325,446

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,050,782	\$ 6,139	\$	\$ 1,056,921
Receivables from Other Governments	6,576			6,576
State Aid Receivable	36,700			36,700
Total Assets	\$ 1,094,058	\$ 6,139	\$	\$ 1,100,197
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,029	\$ 30,930	\$	\$ 34,959
Total Liabilities	4,029	30,930		34,959
Fund Balances:				
Restricted for:				
Maintenance Reserve	237,000			237,000
Emergency Reserve	250,000			250,000
Tuition Reserve	148,411			148,411
Assigned:				
Year-end Encumbrances	150,969			150,969
Tuition Reserve - Designated for Subsequent Year's Expenditures	225,962			225,962
Capital Reserve - Designated for Subsequent Year's Expenditures	90,000			90,000
Designated for Subsequent Year's Expenditures	196,971			196,971
Unassigned, Reported In:				
General Fund (Deficit)	(209,284)			(209,284)
Special Revenue Fund (Deficit)		(24,791)		(24,791)
Total Fund Balances	1,090,029	(24,791)		1,065,238
Total Liabilities and Fund Balances	\$ 1,094,058	\$ 6,139	\$	

Amounts reported for *governmental activities* in the statement of net assets (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 \$6,337,394 and the accumulated depreciation is \$3,568,876 (Note 5).	2,768,518
Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.	(17,956)
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 (Note 6).	(935,875)
Deferred Outflow of Resources - Deferred Pension Contribution.	319,720
Deferred Inflows of Resources - Pension Actuarial Gains.	(67,886)
Long Term Net Pension Liability	(1,885,724)
Net position of governmental activities	\$ 1,246,035

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,715,879	\$	\$ 98,461	\$ 2,814,340
Transportation Charges	55,122			55,122
Interest Earned	184			184
Miscellaneous	4,063			4,063
Total - Local Sources	<u>2,775,248</u>		<u>98,461</u>	<u>2,873,709</u>
State Sources	5,356,075	230,747	93,452	5,680,274
Federal Sources		305,299		305,299
Total Revenues	<u>8,131,323</u>	<u>536,046</u>	<u>191,913</u>	<u>8,859,282</u>
EXPENDITURES				
Current:				
Regular Instruction	1,449,784	291,155		1,740,939
Special Education Instruction	440,607			440,607
Other Special Instruction	53,111			53,111
Support Services:				
Tuition	2,460,471			2,460,471
Student & Instruction Related Services	488,855	163,419		652,274
General Administrative Services	140,969			140,969
School Administrative Services	156,973			156,973
Central Services	207,006			207,006
Plant Operations and Maintenance	643,848			643,848
Pupil Transportation	416,901			416,901
Employee Benefits	1,633,911	98,635		1,732,546
Capital Outlay	83,831			83,831
Debt Service:				
Principal			150,000	150,000
Interest and Other Charges			41,913	41,913
Total Expenditures	<u>8,176,267</u>	<u>553,209</u>	<u>191,913</u>	<u>8,921,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,944)</u>	<u>(17,163)</u>		<u>(62,107)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out - Food Service Deficit	(25,000)			(25,000)
Total Other Financing Sources and Uses	<u>(25,000)</u>			<u>(25,000)</u>
Net Change in Fund Balances	(69,944)	(17,163)		(87,107)
Fund Balance—July 1	1,159,973	(7,628)		1,152,345
Fund Balance—June 30 (Deficit)	<u>\$ 1,090,029</u>	<u>\$ (24,791)</u>	<u>\$</u>	<u>\$ 1,065,238</u>

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	(87,107)
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$	(179,431)
Capital Outlays		(416)
		179,015
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		150,000
Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the government funds, interest is reported when due.		3,000
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		(42,327)
In the Statement of Activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
Compensated Absences		1,853
Change in Net Position of Governmental Activities (A-2)	\$	25,003

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

PROPRIETARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-type Activities Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 45,507	\$ 45,507
Accounts Receivable	17,572	17,572
Inventories	3,927	3,927
	67,006	67,006
Total Current Assets		
Fixed Assets:		
Equipment	64,557	64,557
Accumulated Depreciation	(41,478)	(41,478)
	23,079	23,079
Total Fixed Assets		
Total Assets	\$ 90,085	\$ 90,085
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Unearned Revenue	\$ 3,640	\$ 3,640
Compensated Absences	4,391	4,391
Accounts Payable	2,643	2,643
	10,674	10,674
Total Current Liabilities		
Net Position:		
Investment in Fixed Assets	23,079	23,079
Unrestricted	56,332	56,332
	79,411	79,411
Total Fund Equity		
Total Liabilities and Net Position	\$ 90,085	\$ 90,085

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

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

	Business-type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 33,637	\$ 33,637
Daily Sales - Non-reimbursable Programs	12,730	12,730
Total Operating Revenue:	46,367	46,367
Operating Expenses:		
Cost of Sales	68,914	68,914
Salaries	81,819	81,819
Employee Benefits	17,606	17,606
Repairs & Other Expenses	4,004	4,004
General Supplies	5,597	5,597
Depreciation	2,198	2,198
Total Operating Expenses	180,138	180,138
Operating Income (Loss)	(133,771)	(133,771)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,514	1,514
Federal Sources:		
National School Breakfast Program	28,051	28,051
National School Lunch Program	66,648	66,648
Food Distribution Program	14,837	14,837
Total Non-Operating Revenues (Expenses)	111,050	111,050
Income (Loss) Before Contributions & Transfers	(22,721)	(22,721)
Transfers In (Out)	25,000	25,000
Change in Net Position	2,279	2,279
Total Net Position—Beginning	77,132	77,132
Total Net Position—Ending	\$ 79,411	\$ 79,411

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-type Activities Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 46,367	\$ 46,367
Payments to Employees	(81,819)	(81,819)
Payments for Employee Benefits	(17,606)	(17,606)
Payments to Suppliers	(59,732)	(59,732)
	(112,790)	(112,790)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,514	1,514
Federal Sources	94,699	94,699
Operating Subsidies and Transfers to Other Funds	25,000	25,000
	121,213	121,213
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends		
Net Cash Provided by (used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents		
	8,423	8,423
Balances—Beginning of Year	37,084	37,084
Balances—End of Year	\$ 45,507	\$ 45,507
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Operating Income (Loss)	\$ (133,771)	\$ (133,771)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Food Distribution Program	14,837	14,837
Depreciation and Net Amortization	2,198	2,198
(Increase) Decrease in Accounts Receivable	2,123	2,123
(Increase) Decrease in Inventory	(1,484)	(1,484)
Increase (Decrease) in Unearned Revenue	2,294	2,294
Increase (Decrease) in Compensated Absences	2,060	2,060
Increase (Decrease) in Accounts Payable	(1,047)	(1,047)
	20,981	20,981
Net Cash Provided by (used for) Operating Activities	\$ (112,790)	\$ (112,790)

Noncash Noncapital Financing Activities:

During the Year, the District Received \$13,386 of Food Commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 233,604	\$ 31,716
Total Assets	<u>233,604</u>	<u>31,716</u>
LIABILITIES		
Payroll Deductions Payable	1,572	1,340
Payable to Student Groups		30,376
Total Liabilities	<u>\$ 1,572</u>	<u>\$ 31,716</u>
NET POSITION		
Held in Trust for Unemployment Claims and other Purposes	<u>\$ 232,032</u>	

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

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

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan Member	\$ 10,342
Total Additions	<u>10,342</u>
DEDUCTIONS	
Unemployment Claims	<u>14,118</u>
Total Deductions	<u>14,118</u>
Change in Net Position	(3,776)
Net Position—Beginning of the Year	<u>235,808</u>
Net Position—End of the Year	<u>\$ 232,032</u>

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2016 of 408 students.

A. Reporting Entity:

The Maurice River Township School District is a Type II District as provided by statute of the State of New Jersey. As a Type II District, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

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

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

Based on the aforementioned criteria, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB No. 80 - *Blending Requirements for Certain Component Units - an Amendment of GASB 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 is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 80, did not impact the financial statements of the School District.
- GASB No. 79 - *Certain External Investment Pools and Pool Participants*: This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. New Accounting Standards (Cont'd):

An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 79, did not impact the financial statements of the School District.

- GASB Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 78, did not impact the financial statements of the School District.
- GASB No. 77, *Tax Abatement Disclosures*: This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 77, did not impact the financial statements of the School District.
- GASB No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*: The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 76, did not impact the financial statements of the School District.
- GASB No. 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*: The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 73, did not impact the financial statements of the School District.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. New Accounting Standards (Cont'd):

- **GASB No. 72 - *Fair Value Measurement and Application*:** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72, did not impact the financial statements of the School District.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 82 on the School District's financial statements.
- **GASB No. 81 - *Irrevocable Split-Interest Agreements*:** The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements.
- **GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*:** The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. 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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. New Accounting Standards (Cont'd):

- transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- GASB 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. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 74 on the School District's financial statements.

A. Basis of Presentation:

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Cont'd):

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUND TYPE

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

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

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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.

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.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Fund Accounting (Cont'd):

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

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

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

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

Food Service Fund Equipment	7 – 20 Years
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Internal Service Fund

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later.

The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

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 reservations of 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 deferred revenues at fiscal year end.

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

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2015-16, 2014-15 and 2013-14 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

I. 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.

J. Assets, Liabilities and Equity:

Transactions

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.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2016 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

K. 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 governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

M. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

P. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

T. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

V. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

W. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2016.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Investments are stated at cost, or amortized cost, which approximates market.

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2016, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash</u> <u>Equivalents</u>
Checking accounts	\$ 1,292,062
N.J. Cash Management Fund	75,686
Total	<u>\$ 1,367,748</u>

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2016, \$1,226,136 of the School Districts bank balance of \$1,551,824 was uninsured and exposed to custodial credit risk.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2016, the District had \$75,687 of funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the General Fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's 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 appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$423,728.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5. CAPITAL ASSETS

Capital Asset Activity for the Year Ended June 30, 2016 was as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 62,441			\$ 62,441
Total Capital Assets not Being Depreciated	62,441			62,441
Land Improvements	300,274	\$ 64,584		364,858
Building and Building Improvements	4,442,681	30,600		4,473,281
Machinery and Equipment	1,438,915	83,831	\$ (85,932)	1,436,814
Totals at Historical Cost	6,181,870	179,015	(85,932)	6,274,953
Less Accumulated Depreciation for :				
Land Improvements	(300,274)	(1,615)		(301,889)
Building and Improvements	(2,014,772)	(86,302)		(2,101,074)
Equipment	(1,160,331)	(91,514)	85,932	(1,165,913)
Total Accumulated Depreciation	(3,475,377)	(179,431)	85,932	(3,568,876)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	2,768,934	(416)		2,706,077
Government Activities Capital Assets, Net	\$ 2,831,375	\$ (416)	\$ -	\$ 2,768,518
	To A-1			To A-1
Business-type Activities - Equipment	\$ 64,557	\$	\$	\$ 64,557
Less Accumulated Depreciation	(39,280)	(2,198)		(41,478)
Business-type Activities Capital Assets, Net	\$ 25,277	\$ (2,198)	\$ -	\$ 23,079

Depreciation Expense was Charged to Governmental Functions
as Follows:

Unallocated	To A-2	\$ 179,431
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MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6. GENERAL LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ 1,025,000	\$ -	\$ 150,000	\$ 875,000	\$ 145,000	\$ 730,000
Total Bonds Payable	1,025,000		150,000	875,000	145,000	730,000
Other Liabilities:						
Obligations Under Capital Lease						
Compensated Absences Payable	62,728		1,853	60,875	56,483	4,392
Total Other Liabilities		\$ -	\$ 151,853	\$ 935,875	\$ 201,483	\$ 734,392
					To A-1	
Business-Type Activities:						
Compensated Absences Payable	\$ 2,331	\$ 2,060	\$ -	\$ 4,391	\$ -	\$ 4,391

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

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 145,000	\$ 35,913	\$ 180,913
2018	150,000	30,113	180,113
2019	150,000	23,925	173,925
2020	145,000	17,738	162,738
2021	145,000	11,756	156,756
2022	140,000	5,775	145,775
	\$ 875,000	\$ 125,220	\$ 1,000,220

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7. OPERATING LEASES

The District had commitments to lease a mailing system under operating leases that expires in 2020. The future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 1,788
2018	1,788
2019	1,788
2020	1,490
	<u>6,854</u>
	<u>\$ 6,854</u>

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the School District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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 a fair value.

For the year ended June 30, 2016, the District recognized pension expense of \$956,759 and revenue of \$956,759 for support provided by the State.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, which equal the required contribution for each fiscal year, were as follows:

Public Employees Retirement System

Fiscal Year	Normal Contribution	Accrued Liability	Total Liability	Funded by State	Paid by District
2016	\$ 12,227	\$ 56,324	\$ 68,551	\$ N/A	\$ 68,551

Vesting and Benefit Provisions

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A.43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Vesting and Benefit Provisions (Cont'd)

The following represents the membership tiers for TPAF and PERS:

Tier Definition

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment 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, 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.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years.

These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Contributions (Cont'd)

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

<u>Year</u> <u>Funding</u>		<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>			<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$	431,715	100	%	\$	N/A
6/30/15		346,810	100			N/A
6/30/14		260,059	100			N/A

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$197,065 to the TPAF for pension contributions and \$234,650 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the School District \$172,488 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Contributions to the pension plan from the School District were \$72,221 for the fiscal year ended June 30, 2016. Employee contributions were \$37,918.09 for the fiscal year ended June 30, 2016.

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

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$1,885,724 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School District's proportion was .008400%, which represents a .0002% decrease from the prior year.

For the fiscal year ended June 30, 2016, the School District recognized \$115,708 in the government-wide financial statements, for pension expense for PERS.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,987	\$
Changes of assumptions	202,512	
Net difference between projected and actual earnings on pension plan investments		30,319
Changes in proportion and differences between District contributions and proportionate share of contributions		37,567
District contributions subsequent to the measurement date	72,221	
Total	\$ 319,720	\$ 67,886

\$72,221 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016. 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	PERS
2017	\$ 32,206
2018	32,206
2019	32,206
2020	32,206
2021	32,206
Thereafter	18,582
Total	\$ 179,612

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System - Collective Balances at June 30, 2015 and 2016 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability	\$ 22,447,996,119	\$ 18,722,735,003
District's Proportion	0.0084004104%	0.0086197529%

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>TPAF</u>
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Valuation Date	July 1, 2014	July 1, 2014
Interest Rate	7.90%	7.90%
Salary Scale (Based on Age):		
2012-2021	2.15% - 4.40%	Varies based
Thereafter	3.15% - 5.40%	on Experience
Inflation	3.04%	2.50%

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

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	PERS		TPAF	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%	5.00%	0.53%
U.S. Treasuries	1.75%	1.64%	1.75%	1.39%
Investment Grade Credit	10.00%	1.79%	13.50%	2.72%
Mortgages	2.10%	1.62%	2.10%	2.54%
High Yield Bonds	2.00%	4.03%	2.00%	4.57%
Inflation-Indexed Bonds	1.50%	3.25%	1.50%	1.47%
Broad US Equities	27.25%	8.52%	27.25%	5.63%
Developed Foreign Equities	12.00%	6.88%	12.00%	6.22%
Emerging Market Equities	6.40%	10.00%	6.40%	8.46%
Private Equity	9.25%	12.41%	9.25%	9.15%
Hedge Funds/Absolute Return	12.00%	4.72%	12.00%	14.57%
Real Estate (Property)	2.00%	6.83%	4.25%	3.97%
Commodities	1.00%	5.32%	1.00%	3.58%
Timber	n/a	n/a	1.00%	4.61%
Farmland	n/a	n/a	1.00%	4.61%
Global Debt ex US	3.50%	-0.40%	n/a	n/a
Real Estate (REITS)	4.25%	5.12%	n/a	n/a
Total	100%		100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8. PENSION PLANS (CONT'D)

Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution.

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2016 calculated using a discount rate of 4.90% for PERS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.9%)	Current Discount (4.9%)	1% Increase (5.9%)
District's proportionate share of the net pension liability	\$ 2,343,724	\$ 1,885,724	\$ 1,501,740

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

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.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10. COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, a liability existed for compensated absences in the General Fund of \$60,875 and \$4,391 in the Food Service Fund.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various 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 during the year ended June 30, 2016 were AXA Equitable, Metlife, VOYA, Lincoln Investment and State of NJ – SACT through employee pension. The district also converted from a pre-taxed disability plan to a post-tax plan with AFLAC under Section 125 of the Internal Revenue Service.

NOTE 12. 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.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12. RISK MANAGEMENT (CONT'D)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 0	\$ 10,342	\$ 14,118	\$ 232,032
2014-2015	0	10,550	9,723	235,808
2013-2014	0	19,937	4,656	234,981

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

All interfund balances were cleared from the records before June 30, 2016.

NOTE 14. INVENTORY

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

Food	\$	3,238
Supplies		688
	\$	<u>3,927</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The ending commodity inventory value as of June 30, 2016 was \$2,283.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,090,029 Fund balance at June 30, 2016, \$150,969 is Assigned for encumbrances; \$0 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 and none has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$237,000 is restricted for Maintenance Reserve; \$250,000 is restricted for Emergency Reserve; \$90,000 is restricted for Capital Reserve, of which \$90,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2017; \$374,373 is restricted for Tuition Reserve, of which \$225,962 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016; \$196,971 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2017 and (\$209,284) represents an unrestricted and undesignated fund balance.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2016 is \$0.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16. DEFICIT FUND BALANCES

The District has an Unrestricted and Undesignated deficit in the General Fund of \$209,284 and a deficit in the Special Revenue Fund of \$24,791, 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 year, Districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current 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 as 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(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey 209,284 in the General Fund and \$24,791 in the Special Revenue Fund is equal to or less than the last state payment(s).

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved 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 reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2016, which is to be restricted and budgeted in the 2016-17 or 2017-18 fiscal year.

NOTE 18. LITIGATION

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

NOTE 19. TUITION

Maurice River Township School District, along with three other sending Districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving District's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 20. RECEIVABLES

Receivables at June 30, 2016 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

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

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 36,700	\$	\$ 17,572	\$ 54,272
Other				
Totals	\$ 36,700	\$	\$ 17,572	\$ 54,272

End of Notes to Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,715,879	\$	\$ 2,715,879	\$ 2,715,879	\$
Tuition from Other LEAs - Homeless					
Transportation Fees from other LEAs	50,000		50,000	55,122	5,122
Interest Earned				184	184
Miscellaneous	2,830		2,830	4,063	1,233
Total - Local Sources	2,768,709		2,768,709	2,775,248	6,539
State Sources:					
Equalization Aid	3,545,120		3,545,120	3,545,120	
Categorical Special Education Aid	283,265		283,265	283,265	
Categorical Security Aid	94,769		94,769	94,769	
Categorical Transportation Aid	291,732		291,732	291,732	
Adjustment Aid					
School Choice Aid	450,324		450,324	450,324	
Under Adequacy Aid	21,720		21,720	21,720	
Additional Adjustment Aid	21,444		21,444	21,444	
PARCC Readiness Aid	5,470		5,470	5,470	
Per Pupil Growth Aid	5,470		5,470	5,470	
Anti-Bullying Award					
Other State Aids:					
Non-public Transportation Aid				4,295	4,295
Extraordinary Aid				31,537	31,537
On-behalf TPAF Pension Contribution (non-budgeted)				197,065	197,065
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				234,650	234,650
Reimbursement TPAF Social Security Contrib. (non-budgeted)				172,488	172,488
Total - State Sources	4,719,314		4,719,314	5,359,349	640,035
Federal Sources:					
SEMI					
TOTAL REVENUES	7,488,023		7,488,023	8,134,597	646,574
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	1,900	3,000	4,900	2,909	1,991
Kindergarten	121,327	17,330	138,657	137,684	973
Grades 1-5	798,450	(66,729)	731,721	730,065	1,656
Grades 6-8	475,724	943	476,667	471,574	5,093
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(15,000)			
Other Purchased Services	1,600		1,600		1,600
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	15,327	253	15,580	9,041	6,539
Purchased Professional - Educational Services	2,500	(253)	2,247		2,247
Purchased Technical Services	1,000		1,000	330	670
Other Purchased Services	16,500	(6,000)	10,500	7,049	3,451
General Supplies	68,668	77,961	146,629	91,092	55,537
Textbooks	10,000		10,000		10,000
Other Objects	500		500	40	460
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,528,496	11,505	1,540,001	1,449,784	90,217

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Final Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
SPECIAL EDUCATION - INSTRUCTION:					
Learning/Language Disabilities					
Salaries of Teachers	\$ 49,567	\$ 49,987	\$ 99,554	\$ 91,058	\$ 8,496
Other Salaries for Instruction	99,912	(8,096)	91,816	85,827	5,989
General Supplies	1,000	1,699	2,699	2,556	143
Total Learning/Language Disabilities	150,479	43,590	194,069	179,441	14,628
Resource Room/Resource Center					
Salaries of Teachers	269,599	8,985	278,584	259,171	19,413
General Supplies	700	1,520	2,220	1,995	225
Total Resource Room	270,299	10,505	280,804	261,166	19,638
TOTAL SPECIAL EDUCATION - INSTRUCTION	420,778	54,095	474,873	440,607	34,266
Basic Skills/Remedial - Instruction					
Salaries of Teachers	21,482	(1,126)	20,356	19,599	757
General Supplies	2,500	(2,236)	264	264	
Total Basic Skills	23,982	(3,362)	20,620	19,863	757
School Sponsored Co-curricular Activities:					
Salaries of Teachers	24,000	7,718	31,718	31,718	
Purchased Services	1,500	(1,437)	63	63	
Supplies and Materials	5,500	(3,281)	2,219	1,417	802
Other Objects	200		200	50	150
Total School Sponsored Co-curricular Activities	31,200	3,000	34,200	33,248	952
Total Instruction	2,004,456	65,238	2,069,694	1,943,502	126,192
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition - Regular - LEAs in State	1,417,592	4,691	1,422,283	1,417,603	4,680
Tuition to Other LEAs within State-Special	650,447	(33,851)	616,596	610,352	6,244
Tuition to CSSC & Regional Day Schools	215,152	87,252	302,404	275,364	27,040
Tuition to Private Schools for the Handicapped	184,993	(26,500)	158,493	116,179	42,314
Within the State					
Tuition Other	40,973		40,973	40,973	
Total Undistributed Expenditures - Instruction	2,509,157	31,592	2,540,749	2,460,471	80,278
Attendance and Social Work Services:					
Salaries	8,000		8,000	8,000	
Other Purchased Services	10,099	7,603	17,702	17,702	
Total Attendance and Social Work Services	18,099	7,603	25,702	25,702	

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES (Continued):					
Health Services:					
Salaries	\$ 74,935	\$ 1,735	\$ 76,670	\$ 76,216	\$ 454
Purchased Professional and Technical Services	3,500	(1,000)	2,500	2,500	
Other Purchased Services	600		600		600
Supplies and Materials	4,600	(490)	4,110	867	3,243
Other Objects	300		300		300
Total Health Services	83,935	245	84,180	79,583	4,597
Other Support Services - Students- OT, PT and Related Services:					
Purchased Professional- Educational Services	66,000	(4,278)	61,722	61,722	
Supplies and Materials	500		500		500
Total Undistributed Expenditures Other Support Services-Students-Related Services	66,500	(4,278)	62,222	61,722	500
Special Education - Extraordinary Services:					
Purchased Professional - Educational Services	30,000	6,941	36,941	36,741	200
Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services	30,000	6,941	36,941	36,741	200
Guidance					
Salaries of Other Professional Staff	101,951	5,395	107,346	106,028	1,318
Other Salaries		1,103	1,103	1,103	
Supplies and Materials	5,000	(3,103)	1,897	59	1,838
Other Objects	500		500		500
Total Other Support Services-Students-Regular	107,451	3,395	110,846	107,190	3,656
Child Study Team					
Salaries of Other Professional Staff	2,500		2,500	833	1,667
Purchased Professional - Educational Services	55,922	(7,603)	48,319	32,046	16,273
Miscellaneous Purchased Services	550		550	125	425
Supplies and Materials	500		500		500
Total Other Support Services - Students - Special Services	59,472	(7,603)	51,869	33,004	18,865
Improvement of Instruction Services - Other Support					
Salaries of Supervisors of Instruction	107,649		107,649	107,649	
Salaries of Other Professional Staff	1,000		1,000		1,000
Salaries of Secretarial and Clerical Assistants	22,276		22,276	22,214	62
Purchased Professional-Educational Services	3,000		3,000	1,000	2,000
Other Purchased Services	1,000		1,000		1,000
Total Improvement of Instruction Services	134,925		134,925	130,863	4,062
Educational Media Services/School Library:					
Salaries	6,607		6,607		6,607
Purchased Professional and Technical Services	300		300		300
Other Purchased Services	3,750	322	4,072	3,322	750
Supplies and Materials	1,200	(322)	878		878
Total Educational Media Services/School Library	11,857		11,857	3,322	8,535

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,000		\$ 20,000	1,925	\$ 18,075
Other Salaries	300		300		300
Purchased Professional - Educational Services	5,000		5,000	2,000	3,000
Other Purchased Services	6,500	414	6,914	6,094	820
Supplies and Materials	2,800	(65)	2,735	709	2,026
Total Instructional Staff Training	34,600	349	34,949	10,728	24,221
Support Services General Administration:					
Salaries	84,985		84,985	84,191	794
Legal Services	5,000		5,000	3,056	1,944
Audit Fees	12,000		12,000	11,872	128
Other Purchased Professional Services	10,111	(5,343)	4,768	3,707	1,061
Communication/Telephone	22,288	(4,800)	17,488	13,740	3,748
BOE Other Purchased Services	2,500		2,500		2,500
Other Purchased Services	11,740	7,717	19,457	17,252	2,205
General Supplies	1,500	(390)	1,110	23	1,087
BOE In-House Training/Meeting Supplies	150		150		150
Miscellaneous Expenditures	6,000		6,000	2,820	3,180
BOE Membership Dues and Fees	6,000		6,000	4,308	1,692
Total Support Services General Administration	162,274	(2,816)	159,458	140,969	18,489
Support Services School Administration:					
Salaries of Principals/Assistant Principals	44,428		44,428	44,428	
Salaries of Secretarial and Clerical Assistants	24,358	10	24,368	24,181	187
Purchased Professional and Technical Services	6,120		6,120	3,280	2,840
Other Purchased Services	6,600		6,600	3,954	2,646
Supplies and Materials	5,000	460	5,460	2,951	2,509
Other Objects	4,200	(10)	4,190	2,167	2,023
Total Support Services School Administration	90,706	460	91,166	80,961	10,205
Undistributed Services - Central Services					
Salaries	204,700	(19,919)	184,781	170,373	14,408
Purchased Professional Services	13,374	1,026	14,400	14,350	50
Purchased Technical Services	2,500	(1,095)	1,405	1,152	253
Miscellaneous Purchased Services	9,750	1,369	11,119	9,278	1,841
Supplies and Materials	6,500	6,436	12,936	11,778	1,158
Miscellaneous Expenditures	1,100		1,100	75	1,025
Total Central Services	237,924	(12,183)	225,741	207,006	18,735

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Admin. Info. Technology					
Salaries	\$ 67,548	\$ 5,906	\$ 73,454	\$ 73,454	\$
Purchased Technical Services	1,500		1,500		1,500
Other Purchased Services	5,000	(2,400)	2,600	2,558	42
Supplies and Materials	3,500	(3,500)			
Total Admin. Info. Technology	77,548	6	77,554	76,012	1,542
Required Maintenance for School Facilities					
Increase in Maintenance Reserve					
Cleaning, Repair and Maintenance Services	15,765	101,393	117,158	104,656	12,502
General Supplies	2,000	(50)	1,950		1,950
Other Objects		520	520	435	85
Total Required Maintenance for School Facilities	17,765	101,863	119,628	105,091	14,537
Custodial Services					
Salaries	226,519	3,009	229,528	220,775	8,753
Purchased Professional and Tech Services	3,800	10,550	14,350	11,817	2,533
Cleaning/ Repair Maintenance	4,200	128,041	132,241	59,187	73,054
Insurance		76,222	76,222	76,222	
Misc. Purchased Services	950	5,982	6,932	5,410	1,522
General Supplies	4,746	22,695	27,441	22,638	4,803
Energy (Natural Gas)	15,000	10,000	25,000	22,658	2,342
Energy (Electricity)	75,000	44,973	119,973	119,970	3
Other Objects	2,000		2,000	80	1,920
Total Operating/ Maintenance Plant	332,215	301,472	633,687	538,757	94,930
Security					
Purchased Professional and Tech Services		2,560	2,560		2,560
General Supplies		6,015	6,015		6,015
Total Security		8,575	8,575		8,575
Student Transportation Services:					
Salaries of Non-Instructional Aides	16,433	1,989	18,422	15,826	2,596
Salaries for Pupil Transportation (Between Home and School) - Regular	138,041	(13,779)	124,262	114,176	10,086
Salaries for Pupil Transportation (Between Home and School) - Special	60,809	(2,510)	58,299	41,441	16,858
Salaries for Pupil Transportation (Other than Between Home and School)	1,200		1,200		1,200
Salaries for Pupil Transportation (Between Home and School) - Nonpublic	1,200		1,200		1,200
Management Fee- ESC Transportation Program	4,100		4,100		4,100
Other Purchased Professional and Technical Services	2,500		2,500		2,500
Cleaning, Repair, and Maintenance Services	40,000	59,282	99,282	99,282	
Contracted Services- Aid in Lieu of Payments- Non-Public	22,912	(4,282)	18,630	16,516	2,114
Contracted Services (Home/School) Vendors	15,000	(11,405)	3,595		3,595
Contracted Services (Other than Between Home/School) Vendors	10,000		10,000	7,687	2,313
Contracted Services (Special Ed) - Joint Agreements	186,058	(32,587)	153,471	86,569	66,902
Miscellaneous Purchased Services - Transportation	6,300		6,300		6,300
General Supplies	75,000	(12,092)	62,908	30,481	32,427
Other Objects	4,600	575	5,175	4,923	252
Total Student Transportation Services	584,153	(14,809)	569,344	416,901	152,443

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
PERSONAL SERVICES - EMPLOYEE BENEFITS:					
ALLOCATED BENEFITS:					
Improvement of Instructions Services:					
Other Employee Benefits	\$	\$	\$	\$	\$
Support Services - General Administration					
Other Employee Benefits					
Support Services - Central Services					
Other Employee Benefits					
Total Allocated Benefits					
UNALLOCATED BENEFITS - Employee Benefits					
Social Security Contributions	73,605	(7,715)	65,890	65,126	764
Other Retirement Contributions - PERS	85,000	(6,257)	78,743	77,837	906
Workers Compensation	57,090	(7,689)	49,401	45,123	4,278
Health Benefits	955,622	(75,897)	879,725	821,561	58,164
Tuition Reimbursement	10,000		10,000	6,815	3,185
Other Employee Benefits	21,600		21,600	13,246	8,354
TOTAL UNALLOCATED BENEFITS	1,202,917	(97,558)	1,105,359	1,029,708	75,651
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,202,917	(97,558)	1,105,359	1,029,708	75,651
On-behalf TPAF Pension Contribution (non-budgeted)				197,065	(197,065)
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				234,650	(234,650)
Reimbursement TPAF Social Security Contributions (non-budgeted)				172,488	(172,488)
Total Undistributed Expenditures	5,761,498	323,254	6,084,752	6,148,934	(64,182)
TOTAL EXPENDITURES - CURRENT EXPENSE	7,765,954	388,492	8,154,446	8,092,436	62,010
CAPITAL OUTLAY:					
EQUIPMENT:					
Undistributed Expenditures:					
Central Services		10,765	10,765		10,765
Student Transportation - School Buses - Regular		168,567	168,567	83,831	84,736
Total Equipment		179,332	179,332	83,831	95,501

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Transfers</u>	<u>Final</u> <u>Budget</u>	<u>Expenditures</u>	<u>Variance</u> <u>Final to Actual</u> <u>Favorable</u> <u>(Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
FACILITIES ACQUISITION AND CONSTRUCTION SERVICES					
Land and Improvements	\$ 90,000	\$	\$ 90,000	\$	\$ 90,000
TOTAL CAPITAL OUTLAY	90,000	179,332	269,332	83,831	185,501
TOTAL EXPENDITURES	7,855,954	567,824	8,423,778	8,176,267	247,511
Excess (Deficiency) of Revenues Over (Under) Budget	(367,931)	(567,824)	(935,755)	(41,670)	894,085
Operating Financing Sources (Uses)					
Operating Transfer Out - Food Service Deficit	(25,000)		(25,000)	(25,000)	
Transfer to Charter School	(15,317)	15,317			
Total Other Financing Sources (Uses)	(40,317)	15,317	(25,000)	(25,000)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(408,248)	(552,507)	(960,755)	(66,670)	894,085
Fund Balances, July 1	1,615,983		1,615,983	1,615,983	
Fund Balances, June 30	\$ 1,207,735	\$ (552,507)	\$ 655,228	\$ 1,549,313	\$ 894,085
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 237,000	
Emergency Reserve				250,000	
Tuition Reserve - 2015-16				148,411	
Assigned Fund Balance:					
Year-end Encumbrances				150,969	
Tuition Reserve - Designated for Subsequent Year's Expenditures				225,962	
Capital Reserve - Designated for Subsequent Year's Expenditures				90,000	
Designated for Subsequent Year's Expenditures				196,971	
Unassigned Fund Balance					
				250,000	
				1,549,313	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Recognized on GAAP Basis				(459,284)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,090,029	

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 232,957	\$ 72,342	\$ 305,299	\$ 305,299	\$
State Sources	247,910		247,910	247,910	
Total Revenues	480,867	72,342	553,209	553,209	
EXPENDITURES:					
Instruction					
Salaries of Teachers	241,418	9,104	250,522	250,522	
Salaries - Other Instruction	40,694	(61)	40,633	40,633	
Total Instruction	282,112	9,043	291,155	291,155	
Support Services					
Salaries of Teachers		35,389	35,389	35,389	
Group Insurance	64,675	(1,723)	62,952	62,952	
Social Security Contributions	3,113	1,640	4,753	4,753	
State Share FICA	26,517	(17,029)	9,488	9,488	
TPAF Contributions		21,442	21,442	21,442	
Purchased Professional - Educational Services	104,450	22,178	126,628	126,628	
Supplies and Materials		1,402	1,402	1,402	
Total Support Services	198,755	63,299	262,054	262,054	
Facilities Acquisition and Construction Services:					
Buildings					
Instructional Equipment					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	480,867	72,342	553,209	553,209	-
Other Financing Sources (Uses)					
Total Outflows	480,867	72,342	553,209	553,209	-
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 8,134,597	[C-2] \$ 553,209
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year Current Year	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	456,010	7,628
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(459,284)	(24,791)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 8,131,323	[B-2] \$ 536,046
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,176,267	[C-2] \$ 553,209
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are 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.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2] \$ 8,176,267	[B-2] \$ 553,209

REQUIRED SUPPLEMENTARY INFORMATION – PART III

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.008400%	0.008619%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,885,724	\$ 1,613,853
District's Covered-Employee Payroll	\$ 537,084	\$ 550,214
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	351.10%	293.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.93%	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 72,221	\$ 71,060
Contributions in Relation to the Contractually Required Contribution	<u>(72,221)</u>	<u>(71,060)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 537,084	\$ 550,214
Contributions as a Percentage of Covered-Employee Payroll	13.45%	12.91%

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

Schedules of Required Supplementary Information

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Teachers Pension Plan

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.024791699	0.02329%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 15,669,413	\$ 12,447,209
District's Covered-Employee Payroll	\$ 2,390,805	\$ 2,420,079
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	655.40%	514.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-4

Township of Maurice River School District

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Teachers' Pension Plan

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

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
PENSION SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Teachers' Pension and Annuity Fund (TPAF)

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.

Change 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 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)

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.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>NCLB Title I Part A</u>	<u>I.D.E.A.- Part B-Basic Reg Prog</u>	<u>I.D.E.A. Pre School</u>	<u>Title II A</u>	<u>NJ Achievement Coaches Competitive</u>	<u>Rural Education Achievement Program</u>	<u>Preschool Education Aid</u>	<u>Totals 2016</u>
REVENUES:								
Federal Sources	\$ 112,485	\$ 123,285	\$ 3,343	\$ 24,153	\$ 23,724	\$ 18,309		\$ 305,299
State Sources							\$ 247,910	247,910
Total Revenues	112,485	123,285	3,343	24,153	23,724	18,309	247,910	553,209
EXPENDITURES:								
Instruction:								
Salaries of Teachers	90,031			19,332			141,159	250,522
Salaries - Other Instruction							40,633	40,633
Total Instruction	90,031			19,332			181,792	291,155
Support Services:								
Salary of Teachers					20,735	14,654		35,389
Group Insurance							62,952	62,952
Social Sec Contributions					1,587		3,166	4,753
State Share FICA	6,888			1,479		1,121		9,488
TPAF Contrib	15,566			3,342		2,534		21,442
Purchased Prof/Educ Services		123,285	3,343					126,628
Supplies and Materials					1,402			1,402
Total Support Services	22,454	123,285	3,343	4,821	23,724	18,309	66,118	262,054
Facilities Acq/Construction								
Instructional Equipment								
Total Facilities Acq/Construction								
Total Expenditures	\$ 112,485	\$ 123,285	\$ 3,343	\$ 24,153	\$ 23,724	\$ 18,309	\$ 247,910	\$ 553,209

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE(S) OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 141,159	\$ 141,159	\$
Other Salaries for Instruction	40,633	40,633	
Total Instruction	<u>181,792</u>	<u>181,792</u>	
Support:			
Personal Services - Employee Benefits	66,118	66,118	
Total Support Services	<u>66,118</u>	<u>66,118</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 247,910</u>	<u>\$ 247,910</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2015-16 Preschool Education Aid Allocation	\$ 247,910	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2015)		(2)
Add: Budgeted Transfer from the General Fund 2015-15		(3)
Total Preschool Education Aid Funds Available for 2015-15 Budget	<u>247,910</u>	(4)
Less: 2015-15 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(247,910)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2016		(6)
Add: June 30, 2016 Unexpended Preschool Education Aid		(7)
Less: 2015-15 Commissioner-approved Transfer to the General Fund		(8)
2015-15 Carryover - Preschool Education Aid/Preschool Programs	<u>\$</u>	(9)
2015-15 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2016-16	<u>\$</u>	(10)

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS:		
Current Assets:		
Cash	\$ 45,507	\$ 37,084
Accounts Receivable:		
State	267	372
Federal	17,105	19,323
Other	200	
Inventories	3,927	2,443
Total Current Assets	<u>67,006</u>	<u>59,222</u>
Fixed Assets:		
Equipment	64,557	64,557
Accumulated Depreciation	41,478	39,280
Total Fixed Assets	<u>23,079</u>	<u>25,277</u>
Total Assets	<u>\$ 90,085</u>	<u>\$ 84,499</u>
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Unearned Revenue	\$ 3,640	\$ 1,346
Compensated Absences	4,391	2,331
Accounts Payable	2,643	3,690
Total Liabilities	<u>10,674</u>	<u>7,367</u>
Net Position		
Investment in Fixed Assets	23,079	25,277
Unrestricted	56,332	51,855
Total Net Position	<u>79,411</u>	<u>77,132</u>
Total Liabilities and Fund Equity	<u>\$ 90,085</u>	<u>\$ 84,499</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 26,885	\$ 30,542
School Breakfast Program	6,752	8,198
Total Daily Sales - Reimbursable Programs	33,637	38,740
Daily Sales Non-Reimbursable Programs	12,730	10,661
Special Functions		
Total Operating Revenue	46,367	49,401
OPERATING EXPENSES:		
Salaries	81,819	73,187
Employee Benefits	17,606	19,741
Supplies and Materials	5,597	6,984
Depreciation	2,198	2,595
Cost of Sales	68,914	70,469
Consulting Fee		1,753
Repairs and Other Expenses	4,004	2,238
Total Operating Expenses	180,138	176,967
Operating Loss	(133,771)	(127,566)
Non-Operating Revenues:		
State Sources:		
School Lunch Program	1,514	1,679
Federal Sources:		
School Breakfast Program	28,051	26,454
National School Lunch Program	66,648	68,338
Food Distribution Program	14,837	12,867
Total Non-Operating Revenues	111,050	109,338
Net Income before Operating Transfers and Adjustments	(22,721)	(18,228)
Operating Transfer In - General Fund	25,000	25,000
Net Income	2,279	6,772
Net Position - July 1	77,132	70,360
Net Position - June 30	\$ 79,411	\$ 77,132

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 46,367	\$ 49,401
Payments to Employees	(81,819)	(73,187)
Payments for Employee Benefits	(17,606)	(19,741)
Payments to Suppliers	(59,732)	(61,545)
	<u>(112,790)</u>	<u>(105,072)</u>
Cash Flows from Non-capital Financing Activities:		
Cash Received from State and Federal Reimbursements	96,213	96,471
Cash Received from General Fund Operating Operating Transfer In	25,000	25,000
	<u>121,213</u>	<u>121,471</u>
Net Cash Provided by Non-capital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Fixed Assets (Purchased) Sold		
Net Cash Provided by Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Interest on Investments		
Net Cash Provided by Investing Activities		
Net Increase in Cash	8,423	16,399
Cash and Cash Equivalents, July 1	37,084	20,685
	<u>45,507</u>	<u>37,084</u>
Cash and Cash Equivalents, June 30	\$ 45,507	\$ 37,084
Operating Income (Loss)	\$ (133,771)	\$ (127,566)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Depreciation	2,198	2,595
Food Distribution Program	14,837	12,867
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	2,123	(1,058)
(Increase) Decrease in Inventory	(1,484)	(618)
(Increase) Decrease in Interfund Receivable		9,111
Increase (Decrease) in Unearned Revenue	2,294	924
Increase (Decrease) in Compensated Absences	2,060	205
Increase (Decrease) in Accounts Payable	(1,047)	(1,532)
	<u>20,981</u>	<u>22,494</u>
Total Adjustments		
Net Cash Used by Operating Activities	\$ (112,790)	\$ (105,072)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>Expendable</u> <u>Trust</u> <u>Unemployment</u>	<u>Student</u> <u>Activity</u>	<u>Payroll</u>	<u>Total</u> <u>2016</u>	<u>Total</u> <u>2015</u>
ASSETS:					
Cash and Cash Equivalents	\$ 233,604	\$ 30,376	\$ 1,340	\$ 265,320	\$ 279,352
Total Assets	<u>\$ 233,604</u>	<u>\$ 30,376</u>	<u>\$ 1,340</u>	<u>\$ 265,320</u>	<u>\$ 279,352</u>
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payroll Deductions Payable	\$ 1,572		\$ 1,340	\$ 2,912	\$ 2,823
Due to Student Groups		30,376		30,376	40,721
Total Liabilities	<u>1,572</u>	<u>30,376</u>	<u>1,340</u>	<u>33,288</u>	<u>43,544</u>
Fund Balances:					
Reserved for Unemployment Claims	<u>232,032</u>			<u>232,032</u>	<u>235,808</u>
Total Liabilities and Fund Balances	<u>\$ 233,604</u>	<u>\$ 30,376</u>	<u>\$ 1,340</u>	<u>\$ 265,320</u>	<u>\$ 279,352</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE
EXPENDABLE TRUST FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:		
Unemployment Deductions	\$ 10,342	\$ 10,550
	<u>10,342</u>	<u>10,550</u>
OPERATING EXPENSES:		
Unemployment Compensation Expenses	14,118	9,723
Total Operating Expenses	<u>14,118</u>	<u>9,723</u>
Operating Income (Loss)	<u>(3,776)</u>	<u>827</u>
Net Income (Loss)	<u>(3,776)</u>	<u>827</u>
Fund Balances, July 1	<u>235,808</u>	<u>234,981</u>
Fund Balances, June 30	<u>\$ 232,032</u>	<u>\$ 235,808</u>

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

	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Disbursements</u>	<u>Interfund</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
ELEMENTARY SCHOOLS	\$ 40,721	\$ 32,918	\$	\$ 43,263	\$	\$ 30,376

Analysis of June 30, 2016 Balance:

Band	\$	112
Student Council		1,121
Yearbook		1,885
Grade 8 Trip		(672)
Class Trips		5,584
Miscellaneous		2,923
Principal		1,113
Sports Club		1,253
AED Fund		1,599
Art		2,225
Photo Club		229
Drama Club		725
Bridges		18
MRTES Supplies/Texts		11,870
National Junior Honor Society		366
Positive Behavior System		25
		\$ 30,376

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

	<u>Balance</u> <u>June 30,</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,195	\$ 2,627,840	\$ 2,627,695	\$ 1,340
Total Assets	\$ 24,217	\$ 2,627,840	\$ 2,627,695	\$ 1,340
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 1,195	\$ 2,627,840	\$ 2,627,695	\$ 1,340
Total Liabilities	\$ 24,217	\$ 2,627,840	\$ 2,627,695	\$ 1,340

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	January 1, 2007	\$ 1,950,000	1/1/17	\$ 145,000	Various	\$ 1,025,000	\$	\$ 150,000	\$ 875,000
			1/1/18	150,000					
			1/1/19	150,000					
			1/1/20	145,000					
			1/1/21	145,000					
			1/1/22	140,000					
						<u>\$ 1,165,000</u>	<u>\$</u>	<u>\$ 150,000</u>	<u>\$ 875,000</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 98,461	\$	\$ 98,461	\$ 98,461	\$
Total Revenues - Local Sources	<u>98,461</u>		<u>98,461</u>	<u>98,461</u>	
State Sources:					
Debt Service Aid Type II	93,452		93,452	93,452	
Total Revenues - State Sources	<u>93,452</u>		<u>93,452</u>	<u>93,452</u>	
Total Revenues	<u>191,913</u>		<u>191,913</u>	<u>191,913</u>	
EXPENDITURES					
Regular Debt Service:					
Interest	41,913		41,913	41,913	
Redemption of Principal	150,000		150,000	150,000	
Total Regular Debt Service	<u>191,913</u>		<u>191,913</u>	<u>191,913</u>	
Total Expenditures	<u>191,913</u>		<u>191,913</u>	<u>191,913</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$

STATISTICAL SECTION

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 1,599,003	\$ 1,558,829	\$ 1,621,144	\$ 1,715,883	\$ 1,959,264	\$ 1,867,798	\$ 1,793,120	\$ 1,795,882	\$ 1,743,934	\$ 1,893,518
Restricted	831,590	1,082,525	1,468,080	1,324,339	1,307,033	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522
Unrestricted	186,131	136,764	(32,836)	158,387	(76,497)	19,394	(199,578)	(469,365)	(1,934,286)	(1,922,005)
Total Governmental Activities Net Position	\$ 2,616,724	\$ 2,778,118	\$ 3,056,388	\$ 3,198,609	\$ 3,189,800	\$ 3,264,031	\$ 3,084,939	\$ 2,739,681	\$ 1,221,032	\$ 1,246,035
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 10,458	\$ 5,505	\$ 3,938	\$ 3,570	\$ 35,747	\$ 33,854	\$ 50,863	\$ 27,872	\$ 25,277	\$ 23,079
Restricted				46,222	13,252					
Unrestricted	76,426	67,810	70,093	49,383	4,300	16,764	30,851	42,488	51,855	56,332
Total Business-Type Activities Net Position	\$ 86,884	\$ 73,315	\$ 74,031	\$ 99,175	\$ 53,299	\$ 50,618	\$ 81,714	\$ 70,360	\$ 77,132	\$ 79,411
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 1,609,461	\$ 1,564,334	\$ 1,625,082	\$ 1,719,453	\$ 1,995,011	\$ 1,901,652	\$ 1,843,983	\$ 1,823,754	\$ 1,769,211	\$ 1,916,597
Restricted	831,590	1,082,525	1,468,080	1,370,561	1,320,285	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522
Unrestricted	262,557	204,574	37,257	207,770	(72,197)	36,158	(168,727)	(426,877)	(1,882,431)	(1,865,673)
Total District-Wide Net Position	\$ 2,703,608	\$ 2,851,433	\$ 3,130,419	\$ 3,297,784	\$ 3,243,099	\$ 3,314,649	\$ 3,166,653	\$ 2,810,041	\$ 1,298,164	\$ 1,325,446

Source: CAFR Schedule A-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 1,786,160	1,979,230	2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939
Special Education	436,754	325,840	312,532	286,083	223,979	357,011	374,806	453,675	413,385	440,607
Other Special Instruction	48,056	30,915	20,014	109,136	18,652	50,410	22,958	5,744	45,833	53,111
Support Services										
Tuition	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471
Student and Instruction Related Services	589,637	557,389	528,766	508,509	460,082	516,084	565,657	557,925	598,703	652,274
General Administrative Services	195,913	211,137	183,034	179,515	121,826	123,993	122,213	169,326	146,857	140,969
School Administrative Services	72,577	66,475	63,110	64,211	112,955	116,005	143,405	112,436	155,858	156,973
Central Services	168,566	177,485	177,822	200,288	195,722	210,545	215,043	205,950	202,171	207,006
Plant Operations and Maintenance	419,362	560,942	485,532	410,904	462,502	465,310	484,411	427,701	554,147	548,664
Security						20,500	75,890	20,155		
Pupil Transportation	372,291	453,603	459,348	404,256	446,627	476,343	414,111	514,968	456,013	416,901
Employee Benefits	1,765,118	1,955,649	1,493,705	1,756,327	1,163,964	1,213,044	1,410,958	1,411,111	2,136,720	2,532,714
Business and Other Support Services										
Amortization of Debt Issue Costs	2,000	12,400	4,400	4,400	4,400	4,400				
Interest on Long-Term Debt	122,051	65,429	83,821	75,261	66,213	61,713	57,013	51,488	45,138	38,913
Unallocated Depreciation and Amortization	216,094	203,295	195,329	190,504	212,801	224,697	202,145	197,195	191,948	179,431
Loss on Disposition of Capital Assets										
Total Governmental Activities Expenses	7,925,455	7,964,239	7,551,005	7,895,413	7,734,424	7,899,638	8,462,899	8,775,088	9,000,657	9,568,973
Business-Type Activities										
Food Service	166,827	173,817	172,588	171,314	172,832	214,054	148,693	189,693	176,967	180,138
Total Business-Type Activities Expense	166,827	173,817	172,588	171,314	172,832	214,054	148,693	189,693	176,967	180,138
Total District Expenses	\$ 8,092,282	\$ 8,138,056	\$ 7,723,593	\$ 8,066,727	\$ 7,907,256	\$ 8,113,692	\$ 8,611,592	\$ 8,964,781	\$ 9,177,624	\$ 9,749,111
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,277,900	1,296,936	718,326	823,201	756,947	762,855	903,559	849,458	1,428,407	1,959,433
Total Governmental Activities Program Revenues	1,277,900	1,296,936	718,326	823,201	756,947	762,855	903,559	849,458	1,428,407	1,959,433
Business-Type Activities										
Charges for Services										
Food Service	67,960	70,458	73,122	61,009	49,151	58,966	55,278	53,764	49,401	46,367
Operating Grants and Contributions	58,267	63,631	75,020	75,449	77,805	87,407	99,511	99,575	109,338	111,050
Total Business-Type Activities Program Revenues	126,227	134,089	148,142	136,458	126,956	146,373	154,789	153,339	158,739	157,417
Total District Program Revenues	\$ 1,404,127	\$ 1,431,025	\$ 866,468	\$ 959,659	\$ 883,903	\$ 909,228	\$ 1,058,348	\$ 1,002,797	\$ 1,587,146	\$ 2,116,850
Net (Expense)/Revenue										
Governmental Activities	\$ (6,647,555)	(6,667,303)	(6,832,679)	(7,072,212)	(6,977,477)	(7,136,783)	(7,559,340)	(7,925,620)	(7,572,250)	(7,609,540)
Business-Type Activities	(40,600)	(39,728)	(24,446)	(34,856)	(45,876)	(7,136,783)	6,096	(36,354)	(18,228)	(22,721)
Total District-Wide Net Expense	\$ (6,688,155)	(6,707,031)	(6,857,125)	(7,107,068)	(7,023,353)	(7,204,464)	(7,553,244)	(7,961,974)	(7,590,478)	(7,632,261)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 2,389,168	2,414,644	2,466,484	2,528,781	2,528,781	2,545,856	2,612,637	2,612,637	2,702,847	2,715,879
Taxes Levied for Debt Service	102,808	105,333	107,833	79,454	91,535	91,844	92,045	92,151	96,640	98,461
Unrestricted Grants and Contributions	3,972,315	4,136,051	4,335,341	4,308,255	4,153,583	4,545,654	4,636,135	4,836,896	4,788,495	4,785,834
Tuition Received	34,287	15,900	49,424		8,844		3,379	37,669		
Transportation Charges	129,466	124,467	164,912	181,396	103,846	47,721	60,644	62,805	64,201	55,122
Investment Earnings	54,428	33,298	12,452	1,309	167	38	52	43	48	184
Miscellaneous Income	41,690	24,004	1,078	175,238	81,912	41,522	10,066	830	12,627	4,063
Fixed Asset Adjustment	32,846		(1,575)							
Transfers	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)				
Total Governmental Activities	6,732,008	6,828,697	7,110,949	7,214,433	6,968,668	7,211,014	7,449,248	7,605,362	7,664,858	7,659,543
Business-Type Activities										
Miscellaneous Income	2,273	1,159	162							
Transfer	25,000	25,000	25,000	60,000		65,000				
Total Business-Type Activities	27,273	26,159	25,162	60,000		65,000				
Total District-Wide	\$ 6,759,281	\$ 6,854,856	\$ 7,136,111	\$ 7,274,433	\$ 6,968,668	\$ 7,276,014	\$ 7,449,248	\$ 7,605,362	\$ 7,664,858	\$ 7,659,543
Change in Net Position										
Governmental Activities	\$ 84,453	161,394	278,270	142,221	(8,809)	74,231	(110,092)	(320,258)	92,608	50,003
Business-Type Activities	(13,327)	(13,569)	716	25,144	(45,876)	(2,681)	6,096	(36,354)	(18,228)	(22,721)
Total District-Wide	\$ 71,126	147,825	278,986	167,365	(54,685)	71,550	(103,996)	(356,612)	74,380	27,282

Source: CAFR Schedule A-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Restricted:	\$ 831,590	\$ 1,268,288	\$ 1,687,964	\$ 1,763,771	\$ 1,455,595	\$ 1,620,036	\$ 1,630,212	\$	\$	
Maintenance Reserve								355,292	311,042	237,000
Emergency Reserve								250,000	250,000	250,000
Tuition Reserve								245,000	225,960	148,411
Assigned:										
Encumbrances								27,663	223,760	150,969
Tuition Reserve								245,875	245,000	225,962
Capital Reserve								90,000	90,000	90,000
Subsequent Year's Expenditures								213,637	73,248	196,971
Unassigned	409,117	80,974	(131,016)	(148,982)	(128,940)	(130,234)	(230,791)	(381,613)	(259,039)	(209,284)
Total General Fund	\$ 1,240,707	\$ 1,349,262	\$ 1,556,948	\$ 1,614,789	\$ 1,326,655	\$ 1,489,802	\$ 1,399,421	\$ 1,045,854	\$ 1,159,971	\$ 1,090,029
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Debt Service Fund		21,581	21,582	3	3					
Special Revenue Fund	(17,941)	(20,816)	(10,148)	(10,148)	(10,031)	(12,767)	(12,078)	(14,303)	(7,628)	(24,791)
Total All Other Governmental Funds	\$ (17,941)	\$ 765	\$ 11,434	\$ (10,145)	\$ (10,028)	\$ (12,767)	\$ (12,078)	\$ (14,303)	\$ (7,628)	\$ (24,791)

Source: CAFR Schedule B-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 2,373,538	\$ 2,519,977	\$ 2,574,317	\$ 2,608,235	\$ 2,620,316	\$ 2,637,700	\$ 2,704,682	\$ 2,704,788	2,799,487	\$ 2,814,340
Tuition Charges - Other LEAs	34,287	5,749	36,731		8,844	3,379	37,669			
Tuition Charges - From Individuals		10,151	12,693							
Transportation Charges	129,466	124,467	164,912	181,396	103,846	47,721	60,644	62,805	64,201	55,122
Interest Earnings	54,428	33,298	12,452	1,309	167	38	52	43	48	184
Miscellaneous	41,690	24,004	1,078	175,238	81,912	41,522	10,666	830	12,627	4,063
State Sources	4,966,374	5,197,226	4,773,957	4,158,825	4,578,975	4,904,983	5,251,836	5,398,671	5,395,505	5,680,274
Federal Sources	283,841	235,761	279,710	972,631	331,555	403,526	287,858	287,683	285,653	305,299
Total Revenues	7,883,624	8,150,633	7,855,850	8,097,634	7,725,615	8,038,869	8,353,407	8,454,820	8,557,521	8,859,282
Expenditures										
Instruction										
Regular Instruction	1,786,160	1,979,230	2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939
Special Education Instruction	436,754	325,840	312,532	286,083	223,979	357,011	374,806	453,675	413,385	440,607
Other Special Instruction	48,056	30,915	20,014	109,136	18,652	50,410	22,958	5,744	45,833	53,111
Support Services										
Tuition	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471
Student and Instruction Related Services	589,637	557,389	528,766	508,509	460,082	516,084	565,657	557,925	598,703	652,274
General Administrative Services	195,913	211,137	183,034	179,515	121,826	123,993	122,213	169,326	146,857	140,969
School Administrative Services	72,577	66,475	63,110	64,211	112,955	116,005	143,405	112,436	155,858	156,973
Central Services	168,566	177,485	177,822	200,288	195,722	210,545	215,043	205,950	202,171	207,006
Plant Operations and Maintenance	419,362	560,942	485,532	410,904	462,502	465,310	484,411	427,701	554,147	643,848
Security						20,500	75,890	20,155		
Pupil Transportation	372,291	453,603	459,348	404,256	446,627	476,343	414,111	514,968	456,013	416,901
Employee Benefits					1,201,991	1,220,430	1,437,839	1,415,758	1,596,513	1,732,546
Unallocated Employee Benefits	1,754,821	1,963,323	1,507,039	1,756,513	346,182	18,231	7,467	74,957		
Capital Outlay	167,382	54,549	77,125	120,358						83,831
Debt Service										
Principal	135,640	174,572	168,760	178,219	110,000	115,000	120,000	125,000	140,000	150,000
Interest and Other Charges	124,095	78,462	85,821	77,361	68,413	64,013	59,413	54,613	48,363	41,913
Total Expenditures	8,002,130	7,998,372	7,612,495	8,001,372	8,013,632	7,813,458	8,417,502	8,785,622	8,411,727	8,921,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	(118,506)	152,261	243,355	96,262	(288,017)	225,411	(64,095)	(330,802)	145,794	(62,107)
Other Financing Sources (Uses)										
Capital Lease (Non-budgeted) Transfers	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)	(25,000)	(25,000)	(25,000)	(25,000)
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(25,000)	(60,000)	-	(65,000)	(25,000)	(25,000)	(25,000)	(25,000)
Net Change in Fund Balances	\$ (143,506)	\$ 127,261	\$ 218,355	\$ 36,262	\$ (288,017)	\$ 160,411	\$ (89,095)	\$ (355,802)	\$ 120,794	\$ (87,107)
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.2%	3.4%	3.2%	2.2%	2.3%	2.1%	2.0%	2.2%	2.2%

Source: CAFR Schedule B-2

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Transportation Fees	Cumberland Recycling	ERATE	Maurice River Twp. Cleaning	Refund of Prior Year Expenditures	Rent	Misc.	Total
2016	\$ 184	\$	\$ 55,122	\$	\$	\$	\$	\$	\$ 4,063	\$ 59,369
2015	48		64,201	1,316		992		901	9,418	76,876
2014	43		62,805			1,334			(504)	63,678
2013	52	37,669	60,644				3,963		6,103	108,431
2012	38	3,379	47,721		2,988		26,959		11,575	92,660
2011	167	8,844	103,846				74,518		7,394	194,769
2010	1,309		181,396				171,633		3,605	357,943
2009	12,452	49,424	164,912						1,078	227,866
2008	33,298	15,900	124,467			1,112	4,858		18,034	197,669
2007	54,428	34,287	129,466				36,461	650	4,579	259,871

Source: District Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2016	\$ 11,904,700	\$ 240,696,600	\$ 6,705,300	\$ 2,116,200	\$ 18,868,000	\$ 18,020,900	\$ 619,700	\$ 298,931,400	\$ 585,309	\$ 299,516,709	\$ 0.965	\$ 293,413,704
2015	11,855,200	241,441,700	7,125,600	2,235,700	18,918,800	18,270,900	619,700	300,467,600	604,947	301,072,547	0.935	304,144,405
2014	11,327,000	241,760,400	6,868,300	2,226,800	19,025,900	18,295,700	619,700	300,123,800	581,495	300,705,295	0.931	310,261,344
2013	11,645,100	239,935,900	7,230,700	2,235,100	19,196,500	18,308,000	619,700	299,171,000	887,632	300,058,632	0.902	341,988,283
2012	23,022,700	240,934,300	6,934,500	2,115,900	19,506,500	7,169,200	621,200	300,304,300	909,270	301,213,570	0.898	343,121,583
2011	23,509,300	241,367,100	6,331,000	1,836,000	19,256,200	7,188,300	621,200	300,109,100	996,724	301,105,824	0.877	327,354,786
2010	23,872,500	241,014,800	7,252,200	1,789,100	19,477,000	7,218,300	621,200	301,245,100	1,333,880	302,578,980	0.866	306,915,257
2009	6,992,700	115,440,400	3,352,400	1,813,500	8,168,600	9,743,700	393,200	145,904,500	626,560	146,531,060	1.845	320,077,239
2008	8,638,400	114,414,900	3,273,200	1,688,000	7,923,100	7,661,200	392,300	143,991,100	612,587	144,603,687	1.781	295,410,603
2007	9,220,200	112,727,000	3,302,800	1,689,200	7,867,400	7,331,800	391,500	142,529,900	640,999	143,170,899	1.750	289,689,671

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when 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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Maurice River Township Board of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Maurice River Township	Cumberland County	Total
2016	\$ 0.932	\$ 0.033	\$ 0.965	\$ 0.433	\$ 1.106	\$ 2.504
2015	0.903	0.032	0.935	0.427	1.126	2.488
2014	0.899	0.032	0.931	0.428	1.083	2.442
2013	0.871	0.031	0.902	0.422	1.061	2.385
2012	0.867	0.031	0.898	0.385	1.083	2.366
2011	0.846	0.031	0.877	0.329	1.038	2.244
2010	0.840	0.026	0.866	0.263	0.927	2.056
2009	1.705	0.075	1.780	0.412	1.961	4.153
2008	1.707	0.074	1.781	0.342	1.945	4.068
2007	1.688	0.073	1.761	0.385	1.740	3.886

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 7,717,800	2.56%	\$ 4,563,100	3.19%
US Silica Company	5,078,800	1.69%	2,603,600	1.82%
WaWa, Inc.	2,950,000	0.98%	1,504,000	1.05%
Mays Landing Sand & Gravel Co., Inc.	2,742,200	0.91%	2,253,700	1.57%
Imbesi Family Limited Partnership Agreement	1,740,700	0.58%	1,047,000	0.73%
Dom Zanghi & Sons Inc.	1,217,000	0.40%		
Atlantic Mason Supply Inc.	1,206,500	0.40%		
Taxpayer #1	1,206,400	0.40%	560,600	0.39%
Taxpayer #2			528,500	0.37%
Nicole-Kirstie LLC	1,128,100	0.37%		
New Jersey Lots Inc.				
Kozani LLC	956,800	0.32%	537,900	0.38%
Ocean Food & Fuels, LLC			500,000	0.35%
Boat World Marina, LLC				
New Jersey Lots, Inc.			498,000	0.35%
Total	\$ 25,944,300	8.62%	\$ 14,596,400	10.20%

Source: District CAFR & Municipal Tax Assessor

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2016	\$ 2,814,340	\$ 2,814,340	100.00%	
2015	2,812,519	2,812,519	100.00%	
2014	2,704,788	2,704,788	100.00%	
2013	2,704,682	2,704,682	100.00%	
2012	2,637,700	2,637,700	100.00%	
2011	2,620,316	2,620,316	100.00%	
2010	2,608,235	2,608,235	100.00%	
2009	2,574,317	2,574,317	100.00%	
2008	2,519,977	2,519,977	100.00%	
2007	2,491,976	2,491,976	100.00%	

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

Note:

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2016	\$ 875,000	\$	\$	\$	\$ 875,000	0.32%	\$ 113 *	
2015	1,025,000				1,025,000	0.37%	132	
2014	1,165,000				1,165,000	0.42%	147	
2013	1,290,000				1,290,000	0.49%	169	
2012	1,410,000				1,410,000	0.51%	174	
2011	1,525,000				1,525,000	0.55%	187	
2010	1,635,000				1,635,000	0.61%	202	
2009	1,740,000	73,219			1,813,219	0.68%	221	
2008	1,840,000	141,979			1,981,979	0.76%	242	
2007	1,884,000	206,552			2,090,552	0.86%	259	

* Estimate

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2016	\$ 875,000	\$	\$ 875,000	0.29%	\$ 113 *
2015	1,025,000		1,025,000	0.34%	132
2014	1,165,000		1,165,000	0.38%	147
2013	1,290,000		1,290,000	0.38%	169
2012	1,410,000		1,410,000	0.41%	174
2011	1,525,000		1,525,000	0.47%	187
2010	1,635,000		1,635,000	0.51%	202
2009	1,740,000		1,740,000	0.54%	212
2008	1,840,000		1,840,000	0.62%	225
2007	1,884,000		1,884,000	0.65%	234

* Estimate

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

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

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

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Maurice River	\$ 1,205,000	100%	\$ 1,205,000
Other Debt			
County of Cumberland - Township Share	86,581,151	3.3%	2,899,781
Subtotal, Overlapping Debt			<u>4,104,781</u>
Maurice River Township School District Direct Debt			<u>875,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 4,979,781</u></u>

Source: Maurice River Township Finance Officer and Cumberland County Finance Office

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

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

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
	2015	\$ 294,345,219
	2014	303,185,978
	2013	308,678,291
	[A]	\$ 906,209,488
Average Equalized Valuation of Taxable Property	[A/3]	\$ 302,069,829
Debt Limit (3% of Average Equalization Value)	[B]	9,062,095 ^a
Net Bonded School Debt	[C]	875,000
Legal Debt Margin	[B-C]	\$ 8,187,095

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 6,592,456	\$ 7,618,507	\$ 8,581,313	\$ 9,034,110	\$ 9,779,214	\$ 9,658,494	\$ 9,843,961	\$ 9,683,869	\$ 9,324,282	\$ 9,062,095
Total Net Debt Applicable to Limit	1,884,000	1,799,000	1,740,000	1,635,000	1,525,000	1,410,000	1,290,000	1,165,000	1,025,000	875,000
Legal Debt Margin	\$ 4,708,456	\$ 5,819,507	\$ 6,841,313	\$ 7,399,110	\$ 8,254,214	\$ 8,248,494	\$ 8,553,961	\$ 8,518,869	\$ 8,299,282	\$ 8,187,095
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.58%	23.61%	20.28%	18.10%	15.59%	14.60%	13.10%	12.03%	10.99%	9.66%

Source: Abstract of Ratables and District Records

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> <u>(thousands</u> <u>of dollars)</u> ^b	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ^c	<u>Unemployment</u> <u>Rate</u> ^d
2016	** 7,814	\$ 282,730,993	\$ 36,181	10.3%
2015	7,737	277,160,075	35,823	10.3%
2014	7,909	280,516,412	35,468	11.4%
2013	7,647	262,185,042	34,286	10.1%
2012	8,090	276,435,300	34,170	11.4%
2011	8,154	279,372,348	34,262	10.1%
2010	8,081	268,192,228	33,188	8.7%
2009	8,196	265,870,044	32,439	8.2%
2008	8,176	261,100,560	31,935	4.6%
2007	8,060	244,089,040	30,284	3.8%

** Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network				
Durand Glass Manuf.				
Gerrsheimer Glass				
Walmart				
ShopRite				
WaWa				
Elwyn N.J.				
Omni Baking				
General Mills				
Bayada Nurses				
	-			

Source: Cumberland County Department of Planning Info for Cumberland County

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	30.6	30.55	29.56	30.1	25.5	25.1	25.0	27.0	26	27
Special Education	8.0	6.0	5.0	5.0	4.0	7.0	6.5	7.0	7	6
Other Special Education										
Vocational										
Other Instruction	5.0	6.0	7.0	7.0	8.0	6.0	6.0	8.5	8.5	8.5
Support Services:										
Tuition										
Student & Instruction Related Services	8.1	8.15	6.55	6.4	4.3	5.3	4.8	5.2	5.2	5.7
General Administrative Services	1.3	1.3	1.5	1.3	0.8	0.8	0.8	1.4	1.4	1.1
School Administrative Services	1.3	1.3	0.88	1.0	1.3	1.3	1.3	0.8	0.8	1.8
Business Administrative Services	3.1	3.1	2.95	3.25	3.30	3.30	3.80	3.80	3.8	3.3
Plant Operations and Maintenance	6.5	6.5	5.0	5.0	5.0	4.5	5.0	5.1	5.1	4.6
Pupil Transportation	7.9	7.4	7.2	7.0	6.5	4.5	4.0	5.0	5.5	5
Food Service	4.0	4.0	3.5	3.5	3.5	3.5	3.0	3.5	2.4	2.4
Total	<u>75.80</u>	<u>74.30</u>	<u>69.14</u>	<u>69.55</u>	<u>62.20</u>	<u>61.30</u>	<u>60.20</u>	<u>67.30</u>	<u>65.70</u>	<u>65.40</u>

Source: District Personnel Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	418	\$ 8,729,476	\$ 20,884	7.68%	33.0	20 : 1	409.4	385.5	-4.35%	94.2%
2015	424	8,223,364	19,395	-5.82%	33.0	20 : 1	428.0	397.0	1.18%	92.8%
2014	423	8,710,655	20,593	6.02%	34.0	19 : 1	423.0	394.0	-3.03%	93.1%
2013	433	8,410,035	19,423	-2.08%	31.5	22 : 1	436.2	393.2	10.88%	90.1%
2012	393	7,795,227	19,835	-5.06%	32.1	21 : 1	393.4	365.1	5.72%	92.8%
2011	367	7,667,450	20,892	6.58%	29.5	20 : 1	372.1	340.3	-3.97%	91.5%
2010	389	7,625,434	19,603	6.35%	35.1	18 : 1	387.5	363.7	-2.64%	93.9%
2009	395	7,280,789	18,432	-5.81%	39	20 : 1	398.0	375.0	0.63%	94.2%
2008	393	7,690,789	19,569	0.75%	41	19 : 1	395.5	373.8	0.79%	94.5%
2007	390	7,575,013	19,423	1.26%	43	19 : 1	392.4	371.0	-4.48%	94.5%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</u>										
<u>Elementary</u>										
Maurice River Township Elementary										
Square Feet	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114
Capacity (students)	688	688	688	688	688	688	688	688	688	688
Enrollment	389.0	393.0	395.0	389.0	367.0	393.0	433.0	423.0	424.0	418.0
<u>Other</u>										
Administration Building/Maintenance Building										
Square Feet	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304

Number of Schools at June 30, 2016

 Elementary = 1

 Other = 1

Source: District records, ASSA

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2,008</u>	<u>2,007</u>
Maurice River Township Elementary School	62,114	\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244	\$ 24,731	\$ 18,772
Total School Facilities		105,091	29,656	30,467	25,642	34,533	26,430	30,364	32,244	24,731	18,772
Other Facilities	2,304										
Grand Total		\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244	\$ 24,731	\$ 18,772

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
(UNAUDITED)

New Jersey School Boards Association Insurance Group

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property - Blanket Building and Contents	\$ 13,559,486	\$ 1,000
Comprehensive General Liability	6,000,000	1,000
Boiler and Machinery	100,000,000	5,000
Comprehensive Automobile Liability	6,000,000	1,000
Comprehensive Crime Theft Coverage	100,000	1,000
Board of Education Legal Liability	6,000,000	5,000
Pollution Legal Liability	1,000,000	25,000
Electronic Data Processing	500,000	1,000
 Commercial Inland Marine	 500,000	 1,000
 Workers Compensation:		
Each Accident	2,000,000	
Disease each employee	2,000,000	
Disease aggregate	2,000,000	
 Federal Insurance Company		
Workers Compensation Supplemental	2,500	Temp Total Disability Weekly Benefit Amount
 Berkley Insurance Company		
Compulsory Student Accident Coverage	1,000,000	
Markel Insurance Company		
Catastrophic Student Accident Coverage	5,000,000	25,000
Catastrophic Cash Benefit	500,000	25,000
 Surety Bond		
Business Administrator	175,000	
 NJSBAIG		
Treasurer's Bond	175,000	
The Ohio Casualty Insurance Company		
Business Administrator's Bond	10,000	

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District, in the County of Cumberland, 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 Board of Education of the Maurice River Township's basic financial statements and have issued our report thereon dated October 25, 2016. We conducted our audit in accordance with 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, and State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Maurice River Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures 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 Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Maurice River Township Board of Education's Response to Findings

Maurice River Township Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915

October 25, 2016

NIGHTLINGER, COLAVITA & VOLPA

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES REQUIRED BY THE UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, 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 Maurice River Township School District's major federal and state programs for the fiscal year ended June 30, 2016. The Maurice River Township Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Maurice River Township Board of Education's major federal and state compliance based on our audit of the types of compliance requirements referred 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) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Those standards, the Uniform Guidance and New Jersey OMB 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township 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 federal and state program. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance with those requirements.

Opinion on Each Major Program

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

Report on Internal Control Over Compliance

Management of the Maurice River Township School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Maurice River Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance in accordance with Uniform Guidance and New Jersey OMB 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 Maurice River Township School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated October 25, 2016. 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 Uniform Guidance and New Jersey OMB 15-08.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
October 25, 2016

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

EXHIBIT K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures	Balance at June 30, 2016				
					From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Agriculture																		
Passed-through State Department of Education:																		
Enterprise Fund:																		
Food Distribution Program	10.565	16161NJ304N1099	N/A	\$16,179	7/1/15	6/30/16				\$16,179	(\$13,896)		(\$13,896)		\$2,283			
Food Distribution Program	10.565	16161NJ304N1099	N/A	13,386	7/1/14	6/30/15					(941)		(941)					
School Breakfast Program	10.553	16161NJ304N1099	N/A	28,051	7/1/15	6/30/16		\$941			(28,051)		(28,051)					
School Breakfast Program	10.553	16161NJ304N1099	N/A	26,454	7/1/14	6/30/15	(\$5,599)			5,599				(\$5,250)				
National School Lunch Program	10.555	16161NJ304N1099	N/A	66,648	7/1/15	6/30/16				54,793			(66,648)		(11,855)			
National School Lunch Program	10.555	16161NJ304N1099	N/A	68,338	7/1/14	6/30/15				13,724								
Total U.S. Department of Agriculture																		
							(19,323)	941		113,096	(109,536)		(109,536)	(17,105)	2,283			
U.S. Department of Education																		
Passed-through State Department of Education:																		
Special Revenue Fund:																		
Title I, Part A	84.010A	S010A150030	NCLB - 3050-16	112,485	7/1/15	6/30/16				112,485	(112,485)		(112,485)					
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	IDEA - 3050-16	123,285	7/1/15	6/30/16				123,285	(123,285)		(123,285)					
I.D.E.A. Part B, Pre-School	84.173	H173A150114	IDEA - 3050-16	3,343	7/1/15	6/30/16				3,343	(3,343)		(3,343)					
Title II Part A	84.367A	S367A150029	NCLB - 3050-16	24,153	7/1/15	6/30/16				24,153	(24,153)		(24,153)					
Small Rural Achievement Program	84.358A	S358A150030	REAP - 3050-15	17,715	7/1/14	9/30/15	(3,656)			3,656								
Small Rural Achievement Program	84.358A	S358A150030	REAP - 3050-16	18,309	7/1/15	9/30/16				18,309	(18,309)		(18,309)					
NJ Achievement Coaches Competitive	84.413A	B413A120008	15E00132	35,000	2/1/15	12/31/15	(11,276)			35,000	(23,724)		(23,724)					
Total U.S. Department of Education							(14,932)			320,231	(305,299)		(305,299)					
Total Federal Financial Awards							(\$34,255)	\$941		\$433,327	(\$414,835)		(\$414,835)	(\$17,105)	\$2,283			

See accompanying notes to schedules of financial assistance

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT K-4

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2015				Balance at June 30, 2016			MEMO			
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Equalization Aid	16-495-034-5120-078	\$3,545,120	7/1/15	6/30/16				\$3,200,108	(\$3,545,120)	(\$345,012)			*	(\$345,012)	\$3,545,120
Equalization Aid	15-495-034-5120-078	3,545,120	7/1/14	6/30/15	(\$345,694)			345,694							
Security Aid	16-495-034-5120-084	94,769	7/1/15	6/30/16				85,546	(94,769)	(9,223)			*	(9,223)	94,769
Security Aid	15-495-034-5120-084	94,769	7/1/14	6/30/15	(9,241)			9,241							
Special Education Categorical Aid	16-495-034-5120-089	283,265	7/1/15	6/30/16				255,698	(283,265)	(27,567)			*	(27,567)	283,265
Special Education Categorical Aid	15-495-034-5120-089	283,265	7/1/14	6/30/15	(27,622)			27,622							
Transportation Aid	16-495-034-5120-014	291,732	7/1/15	6/30/16				263,341	(291,732)	(28,391)			*	(28,391)	291,732
Transportation Aid	15-495-034-5120-014	291,732	7/1/14	6/30/15	(28,448)			28,448							
School Choice	16-495-034-5120-068	450,324	7/1/15	6/30/16				406,498	(450,324)	(43,826)			*	(43,826)	450,324
School Choice	15-495-034-5120-068	471,768	7/1/14	6/30/15	(39,730)			39,730							
Adjustment Aid	15-495-034-5120-085	21,720	7/1/14	6/30/15	(2,118)			2,118							
Under Adequacy Aid	16-495-034-5120-096	21,720	7/1/15	6/30/16				19,606	(21,720)	(2,114)			*	(2,114)	21,720
PARCC Readiness Aid	16-495-034-5120-098	5,470	7/1/15	6/30/16				4,938	(5,470)	(532)			*	(532)	5,470
PARCC Readiness Aid	15-495-034-5120-098	5,470	7/1/14	6/30/15	(533)			533							
Per Pupil Growth Aid	16-495-034-5120-097	5,470	7/1/15	6/30/16				4,938	(5,470)	(532)			*	(532)	5,470
Per Pupil Growth Aid	15-495-034-5120-097	5,470	7/1/14	6/30/15	(533)			533							
Additional Adjustment Aid	16-495-034-5120-085	21,444	7/1/15	6/30/16				19,357	(21,444)	(2,087)			*	(2,087)	21,444
Additional Adjustment Aid	15-495-034-5120-085	21,444	7/1/14	6/30/15	(2,091)			2,091							
Extraordinary Aid	16-100-034-5120-473	31,537	7/1/15	6/30/16				17,905	(31,537)	(31,537)			*		31,537
Extraordinary Aid	15-100-034-5120-473	17,905	7/1/14	6/30/15	(17,905)										
Non-Public Transportation Aid	16-495-034-5120-014	4,295	7/1/15	6/30/16				1,914	(4,295)	(4,295)			*		4,295
Non-Public Transportation Aid	15-495-034-5120-014	3,894	7/1/14	6/30/15	(1,914)										
Reimbursed TPAF SS Contribution	16-495-034-5094-003	172,488	7/1/15	6/30/16				171,620	(172,488)	(868)			*		172,488
Reimbursed TPAF SS Contribution	15-495-034-5094-003	180,796	7/1/14	6/30/15	(8,814)			8,814							
Total General Fund					(484,643)			4,916,293	(4,927,634)	(495,984)				(459,284)	4,927,634
Special Revenue Fund:															
Preschool Education Aid	16-495-034-5120-086	247,910	7/1/15	6/30/16				223,119	(247,910)	(24,791)			*	(24,791)	247,910
Preschool Education Aid	15-495-034-5120-086	76,280	7/1/14	6/30/15	(7,628)			7,628							
Total Special Revenue Fund					(7,628)			230,747	(247,910)	(24,791)				(24,791)	247,910
Debt Service Fund:															
Debt Service Aid Type II	16-495-034-5120-017	93,452	7/1/15	6/30/16				93,452	(93,452)				*		93,452
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	16-100-010-3350-023	1,514	7/1/15	6/30/16				1,247	(1,514)	(267)			*		1,514
State School Lunch Program	15-100-010-3350-023	1,679	7/1/14	6/30/15	(372)			372							
Total Enterprise Fund					(372)			1,619	(1,514)	(267)					1,514
Total State Financial Assistance Subject to OMB 15-08					(\$492,643)			\$5,242,111	(\$5,270,510)	(\$521,042)				(\$484,075)	\$5,270,510
State Financial Assistance Not Subject to OMB 15-08															
On-Behalf TPAF Post Retirement Mec	15-495-034-5094-001	234,650	7/1/15	6/30/16				\$ 234,650	\$ (234,650)						
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	197,065	7/1/15	6/30/16				197,065	(197,065)						
Total State Financial Assistance								\$ 5,673,826	\$ (5,702,225)						

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 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, Township of Maurice River School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are 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 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,274) for the general fund and (\$17,163) for the special revenue fund. See Note 2 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES FOR SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2016

(Continued)

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

	<u>Federal</u>		<u>State</u>		<u>Total</u>
General Fund	\$		\$ 5,356,075	\$	5,356,075
Special Revenue Fund		305,299		230,747	536,046
Debt Service				93,452	93,452
Food Service Fund		<u>109,536</u>		<u>1,514</u>	<u>111,050</u>
Total Awards & Financial Assistance	\$	<u>414,835</u>	\$	<u>5,681,788</u>	\$ <u>6,096,623</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Maurice River School District had no loan balances outstanding at June 30, 2016.

NOTE 6: OTHER

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

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments required to be shown in the "Adjustments" column on Schedule A or Schedule B.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs: N/A

- 1) Material weakness (es) identified? _____ yes X no
- 2) Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? _____ yes _____ no

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
----------------	----------------	------------------------------------

NONE

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
16-495-034-5120-078	Equalization Aid
16-495-034-5120-089	Special Education Categorical Aid
16-495-034-5120-084	Security Aid
16-495-034-5120-096	Under Adequacy Aid
16-495-034-5120-098	PARCC Readiness Aid
16-495-034-5120-097	Per Pupil Growth Aid
16-495-034-5120-085	Adjustment Aid
16-495-034-5120-085	Additional Adjustment Aid
16-495-034-5120-068	School Choice Aid
16-495-034-5120-014	Transportation Aid

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Circular 15-08 audit.

Finding: None

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

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

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.