

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

Medford, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**
(Revised October 31, 2017)

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

MEDFORD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

**Medford Township Public School District
Finance Department**

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INTRODUCTORY SECTION

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Medford Township Public School District

137 Hartford Road, Medford, New Jersey 08055
609-654-6416 Fax 609-654-7436

October 24, 2016

Honorable President and
Members of the Board of Education
Medford Township Public School District
County of Burlington
Medford, NJ 08055

The comprehensive annual financial report of the Medford Township Public School District (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 representation, including all disclosures, rests with management of the Board of Education (Board). To the best of our knowledge and belief, the data is 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- 1) Reporting Entity and Its Services: Medford Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Medford Township Public School District and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular education as well as special education services. There are five elementary schools serving students in preschool through fifth grade, one school that serves sixth graders and another school serving seventh and eighth graders. The District completed the 2015-2016 fiscal year with an average daily enrollment of 2,734 students, which is 2 students below the previous year's average daily enrollment. 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>
2015-2016	2,734.0	-0.073%
2014-2015	2,736.0	-1.120%
2013-2014	2,767.0	-6.108%
2012-2013	2,936.0	-2.556%
2011-2012	3,013.0	-1.836%
2010-2011	3,069.4	-1.562%
2009-2010	3,118.1	1.106%
2008-2009	3,083.0	.0079%
2007-2008	3,059.0	-1.07%
2006-2007	3,092.0	.0012%

- 2) **Economic Condition and Outlook:** The Township of Medford is 39.93 square miles with a population of 23,141. As of the 2010 Census, there were 8,277 households, and 6,456 families residing in the township. The community's population has only slightly increased since the last Census in 2010. Most housing is single-family units, and most are within identified subdivisions. There are relatively few apartments and townhouses.

The top three tax payers in the Township are Estaugh T/A Medford Leas, Sharp Run, LLC, and Medford Associates LP. Medford Township Public School District continues to be the largest employer in Medford with 389 employees. The community has not experienced a major increase in businesses however, there has been a concerted effort to revitalize Medford Village (Main Street) over the past five years. Although some progress has been made attracting restaurants and small businesses, residential property taxes continue to be the main support of the school system.

Since the 2010 fiscal crisis at the State level, the State of New Jersey has significantly reduced its financial commitment to all districts throughout the State. Medford Township Public School District's State Aid was decreased at that time and has remained flat. The Medford Township taxpayers have had to bear an increased financial burden to support the schools. In past budgets the School District has always focused on maintaining programs, staff, and educational initiatives.

- 3) **Major Initiatives:** The 2015-2016 budget provided for the following new initiatives: technology integration through one-on-one Chromebook devices; Elementary and Middle School Grade Level Literacy Materials; piloting new science programming materials to align with the Next Generation Science Standards; and continued differentiation of professional development opportunities for all staff. The district is moving towards a full Google platform classroom environment for teaching and learning, requiring more time, personnel and professional development devoted to that endeavor. Mandates, such as AchieveNJ and all five state assessments, require continual attention and resources for proper compliance.
- 4) **Internal Accounting Controls:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits

likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

- 5) Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

- 6) Accounting System And Reports: The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in “Notes to the Financial Statements”, Note 1.

- 7) Financial Information At Fiscal Year End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2016 and the amount and percentages of increase or decrease in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Local Sources	\$ 43,802,757	80.15%	\$ 864,738	1.97%
State Sources	10,030,475	18.35%	245,714	2.45%
Federal Sources	815,315	1.49%	36,822	4.52%
Total	\$ 54,648,547	100.00%	\$ 1,147,274	

The increase in state sources was attributed to an increase in On-Behalf TPAF medical and pension contributions.

The increase in local sources was attributed to an increase in the 2015-2016 tax levy.

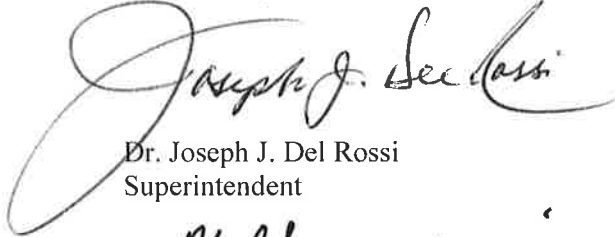
The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2016 including the percentages of increase or decrease in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 19,519,432	34.81%	\$ 646,913	3.31%
Support Services & Undistributed Costs	28,696,248	51.17%	727,489	2.54%
Special Revenue:				
Instruction	883,175	1.57%	134,906	15.28%
Support Services & Undistributed Costs	82,055	0.15%	(107,967)	-131.58%
Debt Service	2,615,076	4.66%	(714,436)	-27.32%
Capital Outlay	4,281,132	7.63%	787,744	18.40%
Total	\$ 56,077,118	100.00%	\$ 1,474,649	

- 8) Debt Administration: At June 30, 2016 the District's outstanding debt issues included \$20,835,000 of general obligation bonds, compensation absence liability of \$1,629,720, net pension liability of \$12,585,870 and \$4,126,119 of Capital Lease obligations.
- 9) Cash Management: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit 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.
- 10) 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. In addition, the District's long standing participation in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF) has resulted in continued premium savings through enhanced Risk Management emphasis, policies and practices adopted by the JIF.

- 11) Other Information: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P. C., was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.
- 12) Acknowledgements: We would like to express our appreciation to the members of the Medford Township Public School District for their concern and guidance in providing fiscal accountability to the citizens and taxpayers of the Medford Township 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.

Respectively submitted,



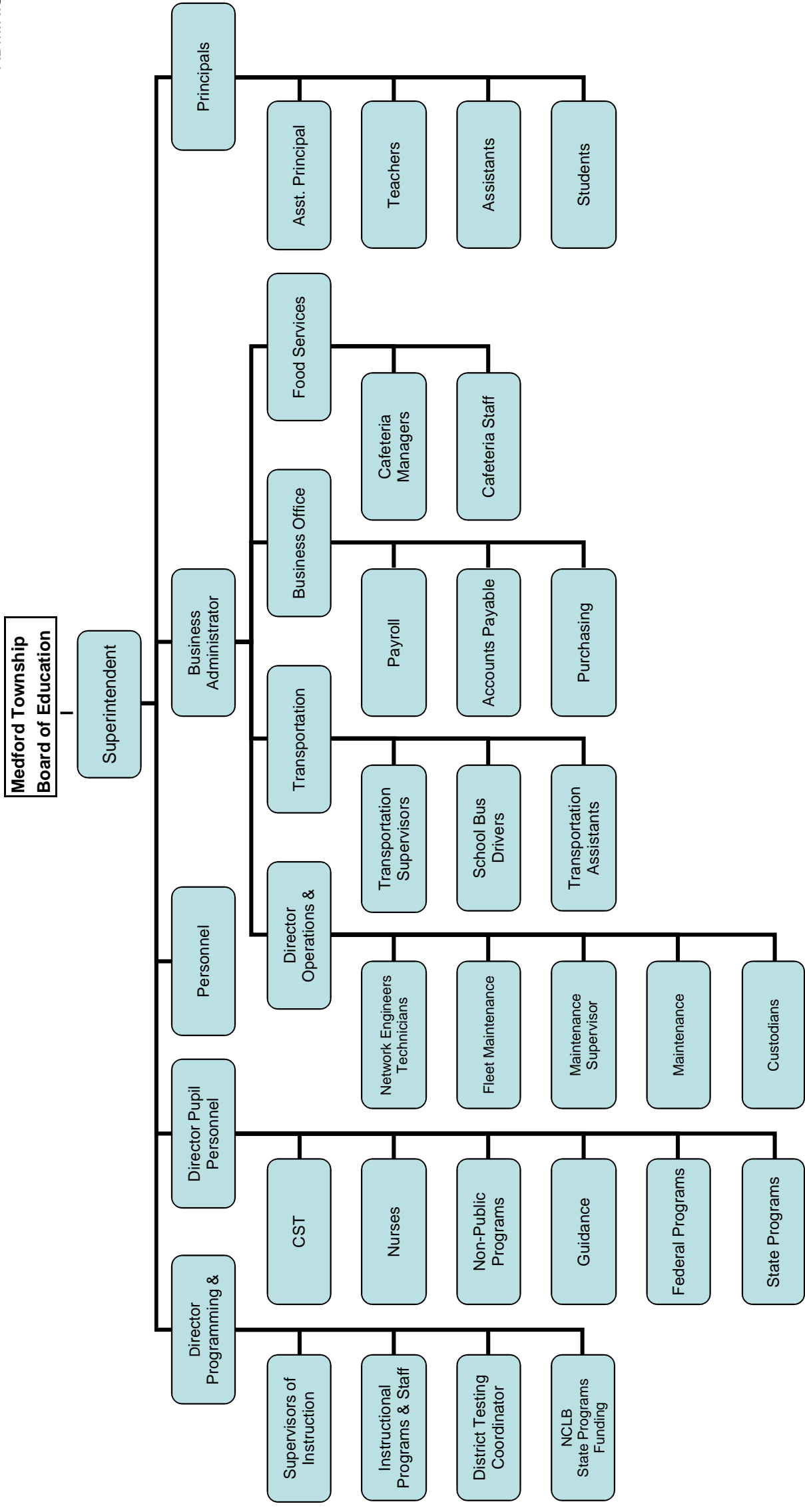
Dr. Joseph J. Del Rossi
Superintendent



Marie Goodwin,
Business Administrator/Board Secretary

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1110 ORGANIZATIONAL CHART



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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
Medford, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Katherine Santamore, President	2017
Trudy Cole, Vice President	2017
David Bermingham	2016
Katherine Busca	2016
Heather Keleher	2018
Stephen Cappello	2018
Amy Duca	2017
Michael Etter	2016
Kathleen Chang	Resigned April 2016

OTHER OFFICIALS

Dr. Joseph J. Del Rossi, Superintendent of Schools

Marie Goodwin, Business Administrator/Board Secretary

Evanthia DiGangi, Treasurer

Parker McCay, Solicitor

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
Medford, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Kevin P. Frenia
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Parker McCay
3 Greetree Center
7001 Lincoln Drive, West
P.O. Box 974
Marlton, New Jersey 08053

OFFICIAL DEPOSITORY

TD Bank
Medford, New Jersey

FINANCIAL SECTION

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ALLISON, P.C.
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Medford Township Public School District
County of Burlington
Medford, New Jersey 08055

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 Medford Township Public School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Emphasis of Matter

The Medford Township Public School District restated its financial statements as of June 30, 2016 to record the issuance of refunding bonds dated December 16, 2015. Our additional procedures are limited solely to the effects of this revision as described in Note 19 of the financial statements. The audit work related to the refunding was completed October 31, 2017 which resulted in the dual-dating of our audit report.

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Medford Township Public School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2016 on our consideration of the Medford Township Public School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Medford Township Public School District’s internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 24, 2016, except for additional procedures mentioned in the emphasis of matter paragraph as to which the date is October 31, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MDAMEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2016

(UNAUDITED)

This section of the Medford Township Public School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used 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 of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools, within the District. The proprietary fund has been included within the business-type activities in the district-wide financial statements.

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

Fiduciary funds

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

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, and for the District’s unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the financial statements

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

Other Information

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

FINANCIAL HIGHLIGHTS

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

- The General Fund balance (budgetary basis) increased \$1,545,368 from \$5,469,619 to \$7,014,987 in 2015. The balance at June 30, 2016 included an amount of \$1,832,375 in excess of the 2% allowable per state mandate.
- General revenues for governmental and business-type activities accounted for \$48,877,442 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for \$12,327,833 of total revenues of \$61,205,275.
- The General Fund fund balance at June 30, 2016 is \$6,606,166, an increase of \$1,554,185 when compared with the beginning balance at July 1, 2015 of \$5,051,981.
- The Food Service fund balance at June 30, 2016 is \$139,957 an increase of \$3,081 when compared with the beginning balance at July 1, 2015 of \$136,876.

District-wide Financial Analysis

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
			JUNE 30, 2016
Cash & Cash Equivalents	\$ 6,427,052	\$ 167,763	\$ 6,594,815
Receivables, Net	481,977	1,411	483,388
Inventory	-	19,068	19,068
Restricted Assets:			
Capital Reserve Account - Cash	1,012,921	-	1,012,921
Capital Assets, Net (Note 5)	58,191,600	44,953	58,236,553
Total Assets	66,113,550	233,195	66,346,745

District-wide Financial Analysis (continued):

DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	1,722,975	-	1,722,975
Deferred Charges of Refunding of Debt	763,523	-	763,523
	<hr/>		
Total Deferred Outflow of Resources	2,486,498	-	2,486,498
Total Assets and Deferred Outflow of Resources	68,600,048	233,195	68,833,243
	<hr/>		
LIABILITIES			
Accrued Interest Payable	307,869	-	307,869
Accounts Payable	1,304,538	56,383	1,360,921
Unearned Revenue	8,000	36,855	44,855
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,275,918	-	2,275,918
Due Beyond One Year	37,065,665	-	37,065,665
	<hr/>		
Total Liabilities	40,961,990	93,238	41,055,228
	<hr/>		
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	213,061	-	213,061
	<hr/>		
Total Deferred Inflows of Resources	213,061	-	213,061
	<hr/>		
Total Liabilities and Deferred Inflows of Resources	41,175,051	93,238	41,268,289
	<hr/>		
NET POSITION			
Net Investment in Capital Assets	33,829,130	44,953	33,874,083
Restricted For:			
Debt Service	(304,623)	-	(304,623)
Other Purposes	4,249,714	-	4,249,714
Unrestricted	(10,349,224)	95,004	(10,254,220)
	<hr/>		
Total Net Position	\$ 27,424,997	\$ 139,957	27,564,954
	<hr/>		

The District's net position increased from the previous year by \$2,703,261 due to the revenues exceeding expenditures in the current year.

The unrestricted net position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net position includes the amount of long-term obligations that are not invested in capital assets, such as compensated absences. At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

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

	Governmental Activities	Business-Type Activities	2016 Total
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 698,807	\$ 698,807
Operating Grants & Contributions	11,441,304	187,722	11,629,026
General Revenues:			
Property Taxes	40,491,836	-	40,491,836
Levied for Debt Service	2,618,288	-	2,618,288
Tuition	96,220	-	96,220
Federal & State Aid	5,074,685	-	5,074,685
Miscellaneous	596,413	-	596,413
	<hr/>		
Total Revenues	60,318,746	886,529	61,205,275
	<hr/>		
Program Expenses:			
Instruction	20,402,607	-	20,402,607
Support Services & Undistributed Costs	34,816,718	-	34,816,718
Interest and Charges on Long-Term Debt	795,328	-	795,328
Increase in Compensated Absences	68,311	-	68,311
Unallocated Depreciation	1,535,602	-	1,535,602
Food Service	-	883,448	883,448
	<hr/>		
Total Expenditures	57,618,566	883,448	58,502,014
	<hr/>		
Change in Net Position	2,700,180	3,081	2,703,261
Net Position- Beginning	24,724,817	136,876	24,861,693
	<hr/>		
Net Position-Ending	\$ 27,424,997	\$ 139,957	\$ 27,564,954
	<hr/>		

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund a balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	Revenue	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Local Sources	\$ 43,802,757	80.15%	\$ 864,738	1.97%
State Sources	10,030,475	18.35%	245,714	2.45%
Federal Sources	815,315	1.49%	36,822	4.52%
Total	\$ 54,648,547	100.00%	\$ 1,147,274	

The increase in state sources was specifically due to On-Behalf TPAF medical and pension contributions in the current year. The increase in local sources was specifically due to an increase in the 2015-2016 tax levy.

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 and the percentage of increases and (decreases) in relation to prior year amounts.

	Expenditure	Percentage of Total	(Decrease)/ Increase From 2015	Percentage Decrease/ Increase
Current Expenditures:				
Instruction	\$ 19,519,432	34.81%	\$ 646,913	3.31%
Support Services & Undistributed Costs	28,696,248	51.17%	727,489	2.54%
Special Revenue:				
Instruction	883,175	1.57%	134,906	15.28%
Support Services & Undistributed Costs	82,055	0.15%	(107,967)	-131.58%
Debt Service	2,615,076	4.66%	(714,436)	-27.32%
Capital Outlay	4,281,132	7.63%	787,744	18.40%
Total	\$ 56,077,118	100.00%	\$ 1,474,649	

General Fund Budgetary 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.

While the District's final budget for the general fund anticipated that revenues and expenditures would be equal, the actual results for the year show a deficit.

Proprietary Funds

The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Service Enterprise Fund experienced a decrease change in net position of \$17,788. The food service program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. It is anticipated that when the economy begins to revive itself, the lunch program will once again, begin to show an increase in profit.

Capital Assets

At June 30, 2016 the District has capital assets of \$58,236,553, net of depreciation, which includes land, building improvements, machinery and equipment, vehicles, and construction in progress.

The following provides a summary of the capital assets held by the District:

	2016 Governmental Activities	2015 Governmental Activities	2016 Business-Type Activities	2015 Business-Type Activities
Land	\$ 5,114,713	\$ 5,114,713	\$ -	\$ -
Construction in Process	1,760,673	1,760,673	-	-
Site & Building	74,932,121	74,652,747	-	-
Machinery & Equipment	11,140,267	7,853,552	223,900	223,900
Subtotal	<u>92,947,774</u>	<u>89,381,685</u>	<u>223,900</u>	<u>223,900</u>
Accumulated Depreciation	<u>(34,756,174)</u>	<u>(33,220,572)</u>	<u>(178,947)</u>	<u>(166,933)</u>
Total	<u>\$ 58,191,600</u>	<u>\$ 56,161,113</u>	<u>\$ 44,953</u>	<u>\$ 56,967</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2016 the District's outstanding debt issues included \$18,455,000 of general obligation bonds, compensation absence liability of \$1,629,720, net pension liability of \$12,585,870 and \$4,126,119 of Capital Lease obligations.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Next Year's Budget

- The District anticipates that the approved 2016-17 budget will be adequate to satisfy all 2016-17 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Medford Township Public School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Medford Township Board of Education, 137 Hartford Road, Medford, NJ 08055.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 6,427,052	\$ 167,763	\$ 6,594,815
Internal Balances	8,587	(8,587)	-
Receivables, Net	473,390	9,998	483,388
Inventory	-	19,068	19,068
Restricted Assets:			
Restricted Cash & Cash Equivalents	1,012,921	-	1,012,921
Capital Assets (Note 5):			
Net of Accumulated Depreciation, Net	58,191,600	44,953	58,236,553
Total Assets	66,113,550	233,195	66,346,745
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	763,523	-	763,523
Deferred Outflows Related to Pensions	1,722,975	-	1,722,975
Total Deferred Outflow of Resources	2,486,498	-	2,486,498
Total Assets and Deferred Outflow of Resources	68,600,048	233,195	68,833,243
LIABILITIES			
Accounts Payable	1,304,538	56,383	1,360,921
Accrued Interest on Bonds	307,869	-	307,869
Unearned Revenue	8,000	36,855	44,855
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,275,918	-	2,275,918
Due Beyond One Year	37,065,665	-	37,065,665
Total Liabilities	40,961,990	93,238	41,055,228
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	213,061	-	213,061
Total Deferred Inflow of Resources	213,061	-	213,061
Total Liabilities and Deferred Inflow of Resources	41,175,051	93,238	41,268,289
NET POSITION			
Net Investment in Capital Assets	33,829,130	44,953	33,874,083
Restricted For:			
Debt Service	(304,623)	-	(304,623)
Other Purposes	4,249,714	-	4,249,714
Unrestricted	(10,349,224)	95,004	(10,254,220)
Total Net Position	\$ 27,424,997	\$ 139,957	\$ 27,564,954

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 13,758,874	\$ -	\$ 883,175	\$ (12,875,699)	\$ -	\$ (12,875,699)
Special Education	6,050,481	-	-	(6,050,481)	-	(6,050,481)
Other Special Instruction	512,589	-	-	(512,589)	-	(512,589)
Other Instruction	80,663	-	-	(80,663)	-	(80,663)
Support Services & Undistributed Costs:						
Tuition	1,254,692	-	-	(1,254,692)	-	(1,254,692)
Attendance & Social Work Services	16,130	-	-	(16,130)	-	(16,130)
Health Services	534,331	-	-	(534,331)	-	(534,331)
Student & Instruction Related Services	2,852,636	-	82,055	(2,770,581)	-	(2,770,581)
Educational Media Services/School Library	478,188	-	-	(478,188)	-	(478,188)
Instructional Staff Training	652,502	-	-	(652,502)	-	(652,502)
School Administrative Services	3,647,313	-	-	(3,647,313)	-	(3,647,313)
Other Administrative Services	1,014,369	-	-	(1,014,369)	-	(1,014,369)
Plant Operations & Maintenance	3,197,338	-	-	(3,197,338)	-	(3,197,338)
Pupil Transportation	3,286,286	-	-	(3,286,286)	-	(3,286,286)
Unallocated Benefits	17,808,666	-	10,476,074	(7,332,592)	-	(7,332,592)
Special Schools	74,267	-	-	(74,267)	-	(74,267)
Long-Term Debt and Other Charges	795,328	-	-	(795,328)	-	(795,328)
Unallocated Compensated Absences	68,311	-	-	(68,311)	-	(68,311)
Unallocated Depreciation	1,535,602	-	-	(1,535,602)	-	(1,535,602)
Total Governmental Activities	57,618,566	-	11,441,304	(46,177,262)	-	(46,177,262)
Business-Type Activities:						
Food Service	883,448	698,807	187,722	-	3,081	3,081
Total Business-Type Activities	883,448	698,807	187,722	-	3,081	3,081
Total Primary Government	\$ 58,502,014	\$ 698,807	\$ 11,629,026	(46,177,262)	3,081	(46,174,181)

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	40,491,836	-	40,491,836
Taxes Levied for Debt Service	2,618,288	-	2,618,288
Federal & State Aid Not Restricted	5,074,685	-	5,074,685
Tuition - From Individuals	96,220	-	96,220
Miscellaneous Income	596,413	-	596,413
Total General Revenues, Special Items, Extraordinary Items & Transfer	48,877,442	-	48,877,442
Change In Net Position	2,700,180	3,081	2,703,261
Net Position - Beginning	24,724,817	136,876	24,861,693
Net Position - Ending	27,424,997	139,957	27,564,954

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B. Fund Financial Statements

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Governmental Funds

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTALS
Assets:				
Cash & Cash Equivalents	\$ 6,282,407	\$ 141,399	\$ 3,246	\$ 6,427,052
Due From Other Funds	8,587	8,920	-	17,507
Receivables From Other Governments	376,870	96,520	-	473,390
Restricted Cash & Cash Equivalents	1,012,921	-	-	1,012,921
	<hr/>			
Total Assets	<u>\$ 7,680,785</u>	<u>\$ 246,839</u>	<u>\$ 3,246</u>	<u>\$ 7,930,870</u>
Liabilities & Fund Balances:				
Liabilities:				
Accounts Payable	\$ 1,065,699	\$ -	\$ -	\$ 1,065,699
Intergovernmental - Accounts Payable	-	238,839	-	238,839
Interfund Payable	8,920	-	-	8,920
Unearned Revenue	-	8,000	-	8,000
	<hr/>			
Total Liabilities	<u>1,074,619</u>	<u>246,839</u>	<u>-</u>	<u>1,321,458</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,404,418	-	-	1,404,418
Excess Surplus - Current Year	1,832,375	-	-	1,832,375
Capital Reserve Account	1,012,921	-	-	1,012,921
Committed to:				
Other Purposes	-			-
Assigned to:				
Other Purposes	53,553	-	-	53,553
Designated by the BOE for Subsequent Year's Expenditures	1,795,582	-	-	1,795,582
Debt Service Fund	-	-	3,246	3,246
Unassigned:				
General Fund	507,317	-	-	507,317
	<hr/>			
Total Fund Balances	<u>6,606,166</u>	<u>-</u>	<u>3,246</u>	<u>6,609,412</u>
<hr/>				
Total Liabilities & Fund Balances Balances	<u>\$ 7,680,785</u>	<u>\$ 246,839</u>	<u>\$ 3,246</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$92,947,774 and the accumulated depreciation is \$34,756,174.	58,191,600
Deferred charges on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials.	763,523
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	1,509,914
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(307,869)
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 (see Illustrative Note 7)	<u>(39,341,583)</u>
Net Position of Governmental Activities	<u>\$ 27,424,997</u>

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GOVERNMENTAL FUND TYPES			TOTALS
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 40,491,836	\$ -	\$ 2,618,288	\$ 43,110,124
Tuition - From Individuals	96,220	-	-	96,220
Miscellaneous	596,413	-	-	596,413
Total Revenues - Local Sources	41,184,469	-	2,618,288	43,802,757
State Sources	9,865,824	164,651	-	10,030,475
Federal Sources	-	815,315	-	815,315
Total Revenues	51,050,293	979,966	2,618,288	54,648,547
Expenditures:				
Current Expense:				
Instruction	19,519,432	883,175	-	20,402,607
Undistributed Expenditures	28,621,981	82,055	-	28,704,036
Capital Outlay	4,266,396	14,736	-	4,281,132
Special Schools	74,267	-	-	74,267
Debt Service	-	-	2,741,936	2,741,936
Total Expenditures	52,482,076	979,966	2,741,936	56,203,978
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,431,783)	-	(123,648)	(1,555,431)
Other Financing Sources/(Uses):				
Transfer to Charter School	-	-	-	-
Proceeds of Refunding Bonds	-	-	21,379,164	21,379,164
Payment to Refunding Bond Escrow Agent	-	-	(21,252,304)	(21,252,304)
Capital Leases (Nonbudget)	2,985,968	-	-	2,985,968
Total Other Financing Sources/ (Uses)	2,985,968	-	126,860	3,112,828
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	1,554,185	-	3,212	1,557,397
Fund Balances July 1	5,051,981	-	34	5,052,015
Fund Balances June 30	\$ 6,606,166	\$ -	\$ 3,246	\$ 6,609,412

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,557,397

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	\$ (1,535,602.00)	
Capital Outlays	<u>3,366,089</u>	1,830,487

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. 1,950,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Proceeds of Long-term Debt	(21,379,164)	
Refunding Escrow Deposits	<u>21,252,304</u>	(126,860)

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amorization of Premium on Bonds	119,291	
Amortization of Loss on Bond Refunding	<u>(52,400)</u>	66,891

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

PERS District Pension Contribution - 2016	482,024	
State Share of Unfunded TPAF Pension Expense	5,670,199	
Unfunded TPAF Pension Expense	(5,670,199)	
Pension Expense	<u>(844,042)</u>	(362,018)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 823,802

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Prior year	322,629	
Current Year	<u>(307,869)</u>	14,760

Proceeds from a Capital Lease are reflected as a Funding Source in the Governmental Funds (2,985,968)

Repayment of compensated absences 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. (68,311)

Change in Net Position of Governmental Activities \$ 2,700,180

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

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Proprietary Funds

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 167,763
Due from Other Governments	9,998
Inventories	<u>19,068</u>
Total Current Assets	<u>196,829</u>
Capital Assets:	
Furniture, Machinery & Equipment	223,900
Less: Accumulated Depreciation	<u>(178,947)</u>
Total Capital Assets	<u>44,953</u>
Total Assets	<u>241,782</u>
LIABILITIES	
Unearned Revenue	36,855
Interfund Payable- General Fund	8,587
Accounts Payable	<u>56,383</u>
Total Liabilities	<u>101,825</u>
NET POSITION	
Net Investment in Capital Assets	44,953
Unrestricted	<u>95,004</u>
Total Net Position	<u><u>\$ 139,957</u></u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 385,370
Daily Sales - Nonreimbursable Programs	266,584
Special Functions	<hr/> 46,853
Total Operating Revenues	<hr/> <hr/> 698,807
Operating Expenses:	
Salaries	397,888
Supplies & Materials	47,244
Liability Insurance	12,741
Miscellaneous	8,863
Management Fee	42,420
Depreciation Expense	12,014
Cost of Sales	<hr/> 362,278
Total Operating Expenses	<hr/> <hr/> 883,448
Operating Income/(Loss)	<hr/> <hr/> (184,641)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	7,137
Federal Sources:	
National School Lunch Program	117,975
Healthy Hunger-Free Kids Act	10,127
Food Distribution Program	<hr/> 52,483
Total Nonoperating Revenues/(Expenses)	<hr/> <hr/> 187,722
Change in Net Position	3,081
Total Net Position - Beginning	<hr/> 136,876
Total Net Position - Ending	<hr/> <hr/> <hr/> \$ 139,957

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 707,394
Payments to Employees	(340,931)
Payments to Suppliers	<u>(485,530)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(119,067)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	7,377
Federal Sources	<u>128,598</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>135,975</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	16,908
Balances - Beginning of Year	<u>150,855</u>
Balances - End of Year	<u><u>\$ 167,763</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (184,641)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Food Distribution Program	52,483
Depreciation & Net Amortization	12,014
Increase/(Decrease) in Prepaid	4,474
(Increase)/Decrease in Inventory	(2,738)
(Increase)/Decrease in Interfund Payable	8,587
(Increase)/Decrease in Accounts Payable	<u>(9,246)</u>
Total Adjustments	<u>65,574</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (119,067)</u></u>

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Fiduciary Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE				TOTALS	
	UNEMPLOYMENT		AGENCY		JUNE 30, 2016	
	COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL AGENCY		
Cash & Cash Equivalents	\$ 33,806	\$ 11,239	\$ 250,139	\$ 264,500	\$	559,684
Total Assets	33,806	11,239	250,139	264,500		559,684
LIABILITIES						
Payroll Deductions & Withholdings	-	-	-	264,500		264,500
Unemployment Claims Payable	1,941	-	-	-		1,941
Due to Student Groups	-	-	250,139	-		250,139
Total Liabilities	1,941	-	250,139	264,500		516,580
NET POSITION						
Restricted for Unemployment	31,865	-	-	-		31,865
Restricted for Scholarships	-	11,239	-	-		11,239
Total Net Position	\$ 31,865	\$ 11,239	\$ -	\$ -	\$	43,104

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	JUNE 30, 2016
Contributions:			
Other	\$ 39,428	\$ -	\$ 39,428
Total Contributions	39,428	-	39,428
Investment Earnings:			
Interest	-	57	57
Net Investment Earnings	-	57	57
Total Additions	39,428	57	39,485
DEDUCTIONS			
Unemployment Claims	20,594	-	20,594
Scholarships	-	1,100	1,100
Total Deductions	20,594	1,100	21,694
Change in Net Position	18,834	(1,043)	17,791
Net Position - Beginning of the Year	13,031	12,282	25,313
Net Position - End of the Year	\$ 31,865	\$ 11,239	\$ 43,104

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies

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

Reporting Entity

The Medford Township Public School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operations of the District include five elementary schools located in Medford Township. The Medford Township Public School District has an approximate enrollment at June 30, 2016 of 2,715 students.

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

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

Component Units

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

Government-Wide Financial Statements

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

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

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

Additionally, the District reports the following major fiduciary funds:

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

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

Scholarship Trust Fund – Revenues consist of contributions and interest income. Expenditures consist of various scholarships awarded to students.

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Budgets/Budgetary Control

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

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

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

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

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

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Inventories

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

Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

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

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

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

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

Compensated Absences

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

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

Fund Balance

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

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

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

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

Recently Issued and Adopted Accounting Pronouncements

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

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

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

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

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

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

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

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

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

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred Inflows/Outflows of Resources

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

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

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of October 24, 2016, which is the date the financial statements were available to be issued.

Pensions Section

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

Note 2: Cash and Cash Equivalent

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$9,423,255 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	250,000
Uninsured and uncollateralized		851,267
Collateralized in the District’s Name		
Under GUDPA		8,321,988
Total	\$	9,423,255

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 2: Cash and Cash Equivalents (continued):

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

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

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

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

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

The District did not hold any investments at June 30, 2016.

Note 3: Capital Reserve

A capital reserve account was established by the Medford Township Public School District by the transfer of \$300,000 from General Fund fund balance in June of 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 01, 2015 to June 30, 2016 fiscal year is as follows:

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 3: Capital Reserve (continued):

Balance, July 1, 2015	\$	511,352
Interest Earnings		1,569
Transfer Per June Resolution		<u>500,000</u>
Ending Balance, June 30, 2016	\$	<u><u>1,012,921</u></u>

Note 4: Accounts Receivable

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	<u>\$ 376,870</u>	<u>\$ 96,520</u>	<u>\$ 9,998</u>	<u>\$ 483,388</u>
Total	<u><u>\$ 376,870</u></u>	<u><u>\$ 96,520</u></u>	<u><u>\$ 9,998</u></u>	<u><u>\$ 483,388</u></u>

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 5: Capital Assets

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

	June 30,		June 30,
	2015	Additions	2016
Governmental Activities:			
Capital assets that are not being depreciated:			
Land	\$ 5,114,713	\$ -	\$ 5,114,713
Construction in progress	1,760,673	-	1,760,673
Total capital assets not being depreciated	6,875,386	-	6,875,386
Capital assets being depreciated:			
Land Improvements	21,951,738	32,309	21,984,047
Buildings	52,901,009	47,065	52,948,074
Machinery and equipment	7,853,552	3,286,715	11,140,267
Historical cost	82,706,299	3,366,089	86,072,388
Less: accumulated depreciation:			
Land Improvements	(9,489,123)	(313,078)	(9,802,201)
Buildings	(17,518,366)	(1,045,030)	(18,563,396)
Machinery and equipment	(6,213,083)	(177,494)	(6,390,577)
Total accumulated depreciation	(33,220,572)	(1,535,602)	(34,756,174)
Total capital assets being depreciated, net	49,485,727	1,830,487	51,316,214
Governmental activities capital assets, net	\$ 56,361,113	\$ 1,830,487	\$ 58,191,600
Business-Type Activities:			
Capital assets being depreciated:			
Machinery & Equipment	\$ 223,900	\$ -	\$ 223,900
Less: accumulated depreciation:			
Equipment	(166,933)	(12,014)	(178,947)
Business-type activities capital assets, net	\$ 68,980	\$ (12,014)	\$ 44,953

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 6: Interfund Receivables and Payables

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 8,587	\$ 8,920
Special Revenue Fund	8,920	-
Food Service Fund	-	8,587
	<u>\$ 17,507</u>	<u>\$ 17,507</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 766,008	\$ 14,725
Special Revenue Fund	6,138	125
Capital Projects Fund	-	765,971
Debt Service Fund	88	-
Fiduciary Funds	8,587	-
	<u>\$ 780,821</u>	<u>\$ 780,821</u>

The purpose of interfunds transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 7: Long-Term Obligations

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

	June 30, 2015	Issued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year
Compensated Absences Payable	\$ 1,561,409	\$ 68,311	\$ -	\$ 1,629,720	\$ -
Capital Lease Payable	1,963,953	2,985,968	(823,802)	4,126,119	705,918
Bonds Payable	22,525,000	18,715,000	(22,785,000)	18,455,000	1,570,000
Bonds Premiums	-	2,664,165	(119,291)	2,544,874	
Net Pension Liability	10,505,332	2,080,538	-	12,585,870	-
	<hr/>				
Total	<u>\$ 36,555,694</u>	<u>\$ 26,513,982</u>	<u>\$ (23,728,093)</u>	<u>\$ 39,341,583</u>	<u>\$ 2,275,918</u>

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Long-Term Obligations (continued)

A. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. At June 30, 2016, bonds payable consisted of the following individual issues:

Purpose	Maturities	Interest Rate	Balance
2015 - Refunding Bond Issue	3/1/2017-27	2.0%-5.0%	<u>\$ 18,455,000</u>
Total			<u><u>\$ 18,455,000</u></u>

Principal and Interest due on the outstanding bonds is as follows:

Year-ending			
June 30,	Principal	Interest	Total
2017	1,570,000	854,650	2,424,650
2018	1,630,000	791,850	2,421,850
2019	1,660,000	726,650	2,386,650
2020	1,740,000	660,250	2,400,250
2021	1,735,000	573,250	2,308,250
2022-2026	8,465,000	1,678,500	10,143,500
2027	1,655,000	82,750	1,737,750
Total	<u>\$ 18,455,000</u>	<u>\$ 5,367,900</u>	<u>\$ 23,822,900</u>

2015 Bond Refunding

\$18,715,000 of Refunding Bonds, Series 2015, dated December 16, 2015 were issued to provide funds to advance refund \$20,835,000 of School District Refunding Bonds, Series 2006, maturing March 1, 2012 through March 1, 2027 and pay costs and expenses related to the issuance. The refunding program is the equivalent of \$1,945,175.57 in net present value savings or 10.39% of the outstanding principal of the refunded bonds.

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the Board had no authorized but not issued bonds.

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 7: Long-Term Obligations (continued)

C. Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. Most capital leases are for terms of three to five years. In 2016 the District entered into a fifteen year lease for an energy saving improvement program. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016:

Year-ending June 30,	Amount
2017	\$ 767,942
2018	756,502
2019	700,483
2020	300,242
2021	190,684
2022-2031	<u>1,941,675</u>
Total Minimum Lease Payments	4,657,528
Less: Amount Representing Interest	<u>(531,409)</u>
Present Value of Lease Payments	<u>\$ 4,126,119</u>

D. Operating Leases

At June 30, 2016, the School District had operating lease agreements in effect for 19 copiers and the Board of Education building office lease at 137 Hartford Road, Medford, NJ. Total operating lease payments made during the year ended June 30, 2016 was \$410,816. The following is a schedule of the remaining future minimum lease payments under these operating leases.

Year-ending June 30,	Amount
2017	\$ 472,768
2018	92,928
2019	92,928
2020	92,928
2021	<u>61,952</u>
Total Minimum Lease Payments Required	<u><u>813,504</u></u>

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Plans

A. Public Employees' Retirement System (PERS)

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

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.

The following represents the membership tiers for PERS:

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

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

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

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Obligations (continued):

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

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 482,024	100%	\$ 12,585,870
6/30/2015	462,563	100%	10,505,332
6/30/2014	418,712	100%	10,620,617

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$12,585,870 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was .05607%, which was a decrease of .00004% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	6/30/2016 July 1, 2015	6/30/2015 July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,722,975	\$ 899,479
Deferred Inflows of Resources	213,061	626,061
Net Pension Liability	12,585,870	10,505,332
District's portion of the Plan's total net pension Liability	0.05607%	0.05611%

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of 844,025. At June 30, 2015, the 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	\$ 300,255	\$ -
Changes of assumptions	1,351,622	202,357
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	71,098	10,704
District contributions subsequent to the measurement date	-	-
Total	\$ 1,722,975	\$ 213,061

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

Year Ended	PERS
<u>June 30:</u>	<u>PERS</u>
2017	\$ 275,058
2018	275,058
2019	275,058
2020	431,573
2021	253,169
Thereafter	-

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate - Term Bonds	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the net pension liability	\$ 15,642,697	\$ 12,585,870	\$ 10,023,049

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

(Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 3,411,656	100%	\$ -
6/30/2015	2,619,865	100%	-
6/30/2014	2,094,981	100%	-

Teachers Pensions and Annuity Fund (TPAF) - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgage	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multistrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	<u>4.00%</u>	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 8: Pension Obligations (continued)

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

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

Defined Contribution Retirement Plan (DCRP) (continued)

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions totaled \$19,142, and the District recognized pension expense of \$10,442.

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

Note 9: Post-Retirement Benefits

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

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

Note 10: Risk Management

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016**

Note 10: Risk Management (continued):

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

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2015-2016	\$ 39,428	\$ -	\$ 20,594	\$ 31,865
2014-2015	57,378	-	76,734	13,031
2013-2014	46,542	70	34,636	32,387

Note 11: Contingent Liabilities

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

Note 12: Economic Dependency

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

Note 13: Deferred Compensation

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

Lincoln Investment	American Express
Vanguard Fiduciary	The Equitable

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 14: Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$1,629,720.

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

Note 15: Joint Insurance Fund

The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2016 for the joint insurance pool.

Note 16: Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$1,832,375 at June 30, 2016.

Note 17: Fund Balance

General Fund – Of the \$6,606,166 General Fund fund balance at June 30, 2016, \$1,012,921 has been restricted for future capital activity; \$3,200,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$1,832,375 is restricted for excess surplus; \$53,553 has been reserved for encumbrances; and \$507,317 is unassigned.

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2016

Note 17: Fund Balance (continued):

Capital Projects Fund – There was \$0 in Capital Projects Fund fund balance at June 30, 2016.

Debt Service Fund – All of the \$3,246 in Debt Service Fund fund balance at June 30, 2016 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of (\$304,623) at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of (\$10,349,224) at June 30, 2016. The primary causes of this deficit includes the District not recognizing the receivable for the last two state aid payments and the recording of long-term liabilities for compensated absences and net pension liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Reissuance of Financial Statements

The financials statements of the Medford Township Public School District as of June 30, 2016, originally issued October 24, 2016, have been reissued on October 31, 2017 to properly reflect the issuance of refunding bonds dated December 16, 2015. The impact of the reissuance was limited to the government-wide financial statements and Note 7 of the notes to the financial statements. Required supplementary information has also been updated to reflect this reissuance.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 40,491,836	\$ -	\$ 40,491,836	\$ 40,491,836	\$ -
Tuition - From Individuals	10-1310	-	-	-	96,220	96,220
Miscellaneous	10-1XXX	600,000	-	600,000	594,843	(5,157)
Interest Earned on Capital Reserve	10-1XXX	-	-	-	1,570	1,570
Total Local Sources		41,091,836	-	41,091,836	41,184,469	92,633
State Sources:						
Categorical Special Education Aid	10-313-000-000	1,680,355	-	1,680,355	1,680,355	-
Equalization Aid	10-317-600-000	2,700,883	-	2,700,883	2,700,883	-
Security Aid	10-317-700-000	78,003	-	78,003	78,003	-
Transportation Aid	10-317-700-000	230,547	-	230,547	230,547	-
Non-Public Transportation Aid	10-3xx	-	-	-	22,333	22,333
Extraordinary Aid	10-3190	400,000	-	400,000	286,081	(113,919)
PARCC Readiness Aid	10-3xx	26,465	-	26,465	26,465	-
Per Pupil Growth Aid	10-3xx	26,465	-	26,465	26,465	-
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,854,337	1,854,337
Normal Pension Contributions		-	-	-	1,557,319	1,557,319
Reimbursed TPAF Social Security Contributions		-	-	-	1,394,219	1,394,219
Total State Sources		5,142,718	-	5,142,718	9,857,007	4,714,289
Total Revenues		46,234,554	-	46,234,554	51,041,476	4,806,922
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	11-110-100-101	709,119	-	709,119	707,050	2,069
Grades 1 - 5	11-120-100-101	7,964,611	(496,992)	7,467,619	6,848,684	618,935
Grades 6 - 8	11-130-100-101	5,090,748	27,187	5,117,935	4,528,889	589,046
Home Instruction:						
Salaries of Teachers	11-150-100-101	1,000	-	1,000	-	1,000
Purchased Professional -						
Educational Services	11-190-100-320	92,325	-	92,325	91,834	491
Other Purchased Services	11-190-100-500	159,890	23,029	182,919	178,326	4,593
General Supplies	11-190-100-610	621,417	(32,224)	589,193	426,441	162,752
Textbooks	11-190-100-640	700	(500)	200	-	200
Other Objects	11-190-100-800	112,641	12,283	124,924	94,475	30,449
Total Regular Programs		14,752,451	(467,217)	14,285,234	12,875,699	1,409,535
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,171,239	91,970	1,263,209	1,261,174	2,035
Purchased Professional -						
Educational Services	11-204-100-320	475,573	462,379	937,952	937,952	-
General Supplies	11-204-100-610	2,000	(2,000)	-	-	-
Total Learning and/or Language Disabilities		1,648,812	552,349	2,201,161	2,199,126	2,035

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	465,562	90,000	555,562	546,604	8,958
Purchased Professional - Educational Services	11-212-100-320	339,743	-	339,743	339,743	-
Total Multiple Disabilities:		805,305	90,000	895,305	886,347	8,958
Resource Room:						
Salaries of Teachers	11-213-100-101	1,692,809	13,810	1,706,619	1,706,619	-
Purchased Professional - Educational Services	11-213-100-320	1,189,587	56,695	1,246,282	935,962	310,320
General Supplies	11-213-000-610	5,200	(1,000)	4,200	4,069	131
Total Resource Room		2,887,596	69,505	2,957,101	2,646,650	310,451
Preschool Handicapped - Part-Time:						
Salaries of Teachers	11-215-100-101	204,187	-	204,187	186,614	17,573
Purchased Professional - Educational Services	11-215-100-320	130,482	-	130,482	130,482	-
General Supplies	11-215-100-600	2,000	-	2,000	411	1,589
Other Objects	11-215-100-800	4,000	-	4,000	851	3,149
Total Preschool Handicapped -Part-Time		340,669	-	340,669	318,358	22,311
Total Special Education		5,682,382	711,854	6,394,236	6,050,481	343,755
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	437,048	100,000	537,048	504,750	32,298
General Supplies	11-230-100-610	7,550	537	8,087	7,839	248
Total Basic Skills/Remedial		444,598	100,537	545,135	512,589	32,546
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	33,928	17,506	51,434	17,887	33,547
Supplies and Materials	11-401-100-600	2,000	-	2,000	849	1,151
Total School Sponsored Cocurricular Activities		35,928	17,506	53,434	18,736	34,698
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	10,360	26,911	37,271	37,271	-
Purchased Services	11-402-100-500	10,000	-	10,000	9,593	407
Supplies and Materials	11-402-100-600	7,000	651	7,651	7,592	59
Total School Sponsored Athletics - Instruction		27,360	27,562	54,922	54,456	466
Other Instructional Programs						
Salaries	11-4xx-100-100	15,614	-	15,614	-	15,614
Supplies and Materials	11-4xx-100-600	7,100	1,650	8,750	7,471	1,279
Total Other Instructional Programs		22,714	1,650	24,364	7,471	16,893
Total - Instruction		20,965,433	391,892	21,357,325	19,519,432	1,837,893

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Tuition						
Tuition to Other LEA'S Within State - Special	11-000-100-562	86,606	(12,406)	74,200	73,320	880
Tuition to CSSD & Regular Day Schools	11-000-100-565	611,218	(161,021)	450,197	450,197	-
Tuition to Private School for Handicapped - State	11-000-100-566	535,227	311,831	847,058	666,184	180,874
Tuition to Private School for Handicapped - Outside State	11-000-100-567	38,000	26,991	64,991	64,991	-
Tuition - Other	11-000-100-569	25,000	(25,000)	-	-	-
Total Tuition		1,296,051	140,395	1,436,446	1,254,692	181,754
Attendance & Social Work Services:						
Salaries	11-000-211-100	16,111	19	16,130	16,130	-
Total Attendance & Social Work Services		16,111	19	16,130	16,130	-
Health Services:						
Salaries	11-000-213-100	500,683	22,721	523,404	523,404	-
Purchased Professional & Technical Services	11-000-213-300	650	-	650	595	55
Other Purchased Services	11-000-213-500	550	-	550	420	130
Supplies and Materials	11-000-213-600	12,000	(25)	11,975	9,912	2,063
Total Health Services		513,883	22,696	536,579	534,331	2,248
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	593,864	(20,000)	573,864	561,929	11,935
Purchased Technical Services	11-000-216-320	595,000	(119,050)	475,950	455,299	20,651
Supplies and Materials	11-000-216-600	3,000	-	3,000	677	2,323
Other Objects	11-000-216-800	2,000	-	2,000	47	1,953
Total Other Support Services - Students - Related Services		1,193,864	(139,050)	1,054,814	1,017,952	36,862
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	592,371	-	592,371	584,034	8,337
Other Purchased Professional & Technical Services	11-000-218-390	9,325	-	9,325	720	8,605
Other Purchased Services	11-000-218-500	2,000	-	2,000	170	1,830
Supplies and Materials	11-000-218-600	8,100	(307)	7,793	6,225	1,568
Total Other Support Services - Students - Special Services		611,796	(307)	611,489	591,149	20,340

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,112,030	33,961	1,145,991	1,115,265	30,726
Other Purchased Educational Services	11-000-219-320	76,500	(39,100)	37,400	17,771	19,629
Supplies and Materials	11-000-219-600	25,000	4,164	29,164	28,444	720
Total Other Support Services - Students - Special Services		1,213,530	(975)	1,212,555	1,161,480	51,075
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	485,147	31,314	516,461	516,461	-
Other Salaries	11-000-221-109	38,793	40	38,833	38,833	-
Other Purchased Educational Services	11-000-221-320	-	1,228	1,228	-	1,228
Other Purchased Services	11-000-221-500	15,900	(5,435)	10,465	8,182	2,283
Total Improvement of Instruction Services/Other Support Services Instructional Staff		539,840	27,147	566,987	563,476	3,511
Educational Media Services/School Library:						
Salaries	11-000-222-100	532,504	(44,952)	487,552	415,895	71,657
Supplies and Materials	11-000-222-600	64,825	(898)	63,927	62,293	1,634
Total Educational Media Services/School Library		597,329	(45,850)	551,479	478,188	73,291
Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	28,250	60,842	89,092	89,026	66
Total Instructional Staff Training Services		28,250	60,842	89,092	89,026	66
Support Services General Administration:						
Salaries	11-000-230-100	300,125	19,572	319,697	319,667	30
Legal Services	11-000-230-331	50,000	14,055	64,055	64,055	-
Audit fees	11-000-230-332	30,000	4,000	34,000	33,565	435
Architectural/Engineering Services	11-000-230-334	10,000	66,960	76,960	76,541	419
Other Purchased Professional Services	11-000-230-339	32,500	(3,418)	29,082	26,259	2,823
Communications/Telephone	11-000-230-530	225,000	(10,967)	214,033	214,033	-
Travel	11-000-230-585	1,000	-	1,000	192	808
Other Purchased Services	11-000-230-590	102,755	2,200	104,955	102,187	2,768
Supplies and Materials	11-000-230-610	26,000	(2,200)	23,800	12,818	10,982
In House Training Supplies	11-000-230-630	1,500	-	1,500	312	1,188
Miscellaneous Expenditures	11-000-230-890	28,000	(8,296)	19,704	14,671	5,033
BOE Membership Dues	11-000-230-895	25,000	(3,400)	21,600	20,782	818
Total Support Services General Administration		831,880	78,506	910,386	885,082	25,304

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	953,449	24,882	978,331	978,331	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	837,519	-	837,519	817,098	20,421
Purchased Professional & Technical Services	11-000-240-300	10,000	-	10,000	5,130	4,870
Lease Purchase	11-000-240-440	-	76,496	76,496	37,563	38,933
Other Purchased Services	11-000-240-500	107,605	(88,741)	18,864	12,281	6,583
General Supplies	11-000-240-600	87,400	10,693	98,093	73,084	25,009
Other Objects	11-000-240-800	8,950	681	9,631	8,744	887
Total Support Services School Administration		2,004,923	24,011	2,028,934	1,932,231	96,703
Central Services:						
Salaries	11-000-251-100	555,593	22,506	578,099	578,099	-
Purchased Professional Services	11-000-251-330	10,965	15,462	26,427	24,926	1,501
Purchased Technical Services	11-000-251-340	3,500	(3,500)	-	-	-
Other Purchased Services	11-000-251-592	10,000	2,280	12,280	7,592	4,688
General Supplies	11-000-251-600	52,750	(6,264)	46,486	26,029	20,457
Miscellaneous Expenditures	11-000-251-890	7,575	(1,500)	6,075	888	5,187
Total Central Services		640,383	28,984	669,367	637,534	31,833
Administrative Information Technology:						
Salaries	11-000-252-100	250,667	12,282	262,949	262,949	-
Purchased Professional Services	11-000-252-330	5,000	(5,000)	-	-	-
Purchased Technical Services	11-000-252-340	30,000	69,081	99,081	60,189	38,892
Other Purchased Services	11-000-252-500	55,000	(18,000)	37,000	30,580	6,420
General Supplies	11-000-252-600	25,000	-	25,000	23,117	1,883
Total Administrative Information Technology		365,667	58,363	424,030	376,835	47,195
Maintenance for School Facilities:						
Salaries	11-000-261-100	519,679	28,012	547,691	433,039	114,652
Cleaning, Repair & Maintenance	11-000-261-420	363,500	(363,500)	-	-	-
General Supplies	11-000-261-610	218,500	441,400	659,900	579,395	80,505
Total Maintenance for School Facilities		1,101,679	105,912	1,207,591	1,012,434	195,157
Custodial Services:						
Salaries	11-000-262-100	1,126,206	(2,183)	1,124,023	1,068,928	55,095
Salaries of Noninstructional Aides	11-000-262-107	-	573,210	573,210	573,210	-
Cleaning, Repair & Maintenance Services	11-000-262-420	269,000	(58,854)	210,146	169,354	40,792
Other Purchased Property Services	11-000-262-490	138,000	38,232	176,232	176,232	-
Insurance	11-000-262-520	67,887	-	67,887	67,887	-
Miscellaneous Purchased Services	11-000-262-590	573,210	(573,210)	-	-	-
General Supplies	11-000-262-610	35,000	525	35,525	23,169	12,356
Energy (Heat & Electricity)	11-000-262-622	710,000	120,400	830,400	701,217	129,183
Energy (Natural Gas)	11-000-262-621	125,000	(125,000)	-	-	-
Other Objects	11-000-262-800	5,000	1,480	6,480	6,326	154
Total Custodial Services		3,049,303	(25,400)	3,023,903	2,786,323	237,580

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Cleaning, Repair & Maintenance Services	11-000-263-420	200,000	(26,500)	173,500	162,731	10,769
General Supplies	11-000-263-610	10,000	(10,000)	-	-	-
Total Care & Upkeep of Grounds		210,000	(36,500)	173,500	162,731	10,769
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	65,000	18,000	83,000	59,652	23,348
General Supplies	11-000-266-610	5,000	(5,000)	-	-	-
Total Security		70,000	13,000	83,000	59,652	23,348
Total Other Operating & Maintenance of Plant Services		4,430,982	57,012	4,487,994	4,021,140	466,854
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,296,487	108,823	1,405,310	1,386,548	18,762
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	247,554	-	247,554	174,188	73,366
Salaries for Pupil Transportation - (Other than Home & School)	11-000-270-162	101,000	(6,470)	94,530	-	94,530
Purchased Professional & Technical Services	11-000-270-390	45,000	(6,355)	38,645	26,743	11,902
Lease Purchase Payments - Buses	11-000-270-443	93,000	80,460	173,460	173,454	6
Contracted Services ESC & CTSA	11-000-270-503	201,095	29,291	230,386	230,386	-
Miscellaneous Purchased Services	11-000-270-593	305,986	(23,991)	281,995	222,336	59,659
Transportation Supplies	11-000-270-615	560,510	(91,422)	469,088	269,931	199,157
Miscellaneous Expenditures	11-000-270-800	3,300	-	3,300	2,700	600
Total Student Transportation Services		2,853,932	90,336	2,944,268	2,486,286	457,982
Student Transportation Services - Employee Benefits:						
Health Benefits	11-000-270-270	800,000	-	800,000	800,000	-
Total Student Transportation Services - Employee Benefits		800,000	-	800,000	800,000	-
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	485,000	34,226	519,226	519,226	-
Other Retirement Contributions						
PERS	11-000-291-241	500,000	194,385	694,385	508,837	185,548
Unemployment Compensation	11-000-291-250	176,279	(176,279)	-	-	-
Workmen's Compensation	11-000-291-260	319,567	1,894	321,461	321,461	-
Health Benefits	11-000-291-270	6,536,575	(701,030)	5,835,545	5,321,110	514,435
Tuition Reimbursement	11-000-291-280	87,152	(20,108)	67,044	63,428	3,616
Other Employee Benefits	11-000-291-290	234,175	22,675	256,850	236,512	20,338
Total Unallocated Benefits		8,338,748	(644,237)	7,694,511	6,970,574	723,937

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	ACCOUNT NUMBER	JUNE 30, 2016			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,854,337	(1,854,337)
Normal Pension Contributions		-	-	-	1,557,319	(1,557,319)
Reimbursed TPAF Social Security Contributions		-	-	-	1,394,219	(1,394,219)
Total Undistributed Expenditures		26,277,169	(242,108)	26,035,061	28,621,981	(2,586,920)
Total Expenditures - Current Expense		47,242,602	149,784	47,392,386	48,141,413	(749,027)
Equipment:						
Undistributed Expenditures:						
Instruction	12-000-100-730	2,500	4,880	7,380	6,180	1,200
Support Services - Students - Regular	12-000-210-730	-	12,000	12,000	2,016	9,984
Administration Technology	12-000-252-730	158,000	45,273	203,273	203,273	-
Required Maintenance for School Facilities	12-000-261-730	30,000	56,979	86,979	58,672	28,307
Custodial Services	12-000-262-730	60,000	(60,000)	-	-	-
Student Transportation - Noninstructional Equipment	12-000-270-732	5,000	-	5,000	4,045	955
School Buses- Regular	12-000-300-733	125,000	-	125,000	91,199	33,801
Total Equipment		380,500	59,132	439,632	365,385	74,247
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	15,000	(15,000)	-	-	-
Lease Purchase Agreement Principal Buildings Other Than Lease Purchase Agreement	12-000-400-721	425,000	11,011	436,011	436,011	-
Assesment for Debt service On SDA funding	12-000-400-722	390,000	3,989	393,989	393,989	-
	12-000-400-896	85,043	-	85,043	85,043	-
Total Facilities Acquisition & Construction Services		915,043	-	915,043	915,043	-
Total Capital Outlay		1,295,543	59,132	1,354,675	1,280,428	74,247
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Instructional Equipment		-	-	-	2,985,968	(2,985,968)
Total Assets Acquired Under Capital Leases/ (Nonbudgeted)		-	-	-	2,985,968	(2,985,968)
Special Schools:						
Summer School - Instruction:						
Salaries of Teachers	13-422-100-101	68,800	-	68,800	56,607	12,193
Purchased Professional & Technical Services	13-422-100-300	18,490	-	18,490	17,660	830
General Supplies	13-422-100-610	3,200	-	3,200	-	3,200
Total Summer School - Instruction		90,490	-	90,490	74,267	16,223
Total Expenditures		48,628,635	208,916	48,837,551	52,482,076	(3,644,525)

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

ACCOUNT NUMBER	JUNE 30, 2016				POSITIVE (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures Before Other Financing Sources/(Uses)	(2,394,081)	(208,916)	(2,602,997)	(1,440,600)	1,162,397
Other Financing Sources/(Uses):					
Capital Leases (Nonbudgeted)	-	-	-	2,985,968	2,985,968
Total Other Financing Sources/(Uses)	-	-	-	2,985,968	2,985,968
Excess/(Deficiency) of Revenues Over/(Under) After					
Expenditures & Other Financing Sources/(Uses)	(2,394,081)	(208,916)	(2,602,997)	1,545,368	4,148,365
Fund Balances, July 1	5,469,619	-	5,469,619	5,469,619	-
Fund Balances, June 30	\$ 3,075,538	\$ (208,916)	\$ 2,866,622	\$ 7,014,987	\$ 4,148,365

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	\$ 208,916
Total Budget Transfers	<u>\$ 208,916</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 1,832,375
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,404,418
Capital Reserve	1,012,921
Assigned Fund Balance:	
Reserve for Encumbrances	53,553
Designated for Subsequent Year's Expenditures	1,795,582
Unassigned Fund Balance	<u>916,138</u>
Subtotal	7,014,987
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(408,821)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,606,166</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
State Sources	\$ 145,862	\$ 35,504	\$ 181,366	\$ 164,910	\$ (16,456)
Federal Sources	586,357	225,643	812,000	815,315	3,315
Total Revenues	732,219	261,147	993,366	980,225	(13,141)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	43,994	35,021	79,015	75,263	3,752
Purchased Professional & Technical Services	176,873	29,643	206,516	201,347	5,169
Tuition	483,429	50,466	533,895	533,895	-
General Supplies		52,101	52,101	52,101	-
Textbooks	20,396	617	21,013	20,828	185
Total Instruction	724,692	167,848	892,540	883,434	9,106
Support Services:					
Purchased Professional - Educational Services	-	49,867	49,867	49,867	-
Personal Services - Employee Benefits	-	9,794	9,794	9,794	-
Other Purchased Services (400-500 Series)	-	400	400	400	-
Supplies & Materials	-	21,997	21,997	21,994	3
Total Support Services	-	82,058	82,058	82,055	3
Facilities Acquisitions & Construction Services:					
Non-Instructional Equipment	7,527	11,241	18,768	14,736	4,032
Total Facilities Acquisitions & Construction Services	7,527	11,241	18,768	14,736	4,032
Total Expenditures	732,219	261,147	993,366	980,225	13,141
Total Outflows	732,219	261,147	993,366	980,225	13,141
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2016**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 51,041,476	\$ 980,225
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(259)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(408,821)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	417,638	-
	\$ 51,050,293	\$ 979,966
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	\$ 52,482,076	\$ 980,225
Differences- Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	\$ -	\$ (259)
	\$ 52,482,076	\$ 979,966
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05607%	0.05611%	0.05557%
District's proportionate share of the net pension liability (asset)	\$ 12,585,870	\$ 10,505,332	\$ 10,620,617
District's covered-employee payroll	3,818,964	3,729,825	3,777,913
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	329.56%	281.66%	281.124%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 488,880	\$ 482,024	\$ 462,563
Contributions in relation to the contractually required contribution	<u>488,880</u>	<u>482,024</u>	<u>462,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,818,964	\$ 3,729,825	\$ 3,777,913
Contributions as a percentage of covered- employee payroll	12.80%	12.92%	12.24%

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.1873%	0.1876%	0.1916%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 118,369,399	\$ 100,271,313	\$ 96,829,050
District's covered-employee payroll	19,872,833	19,123,833	19,278,396
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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Teachers Pension and Annuity Fund (TPAF)

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

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

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

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

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	TITLE I	TITLE II PART A	TITLE III	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PRESCHOOL
Revenues:					
Federal Sources	\$ 82,716	\$ 57,888	\$ 6,137	\$ 635,278	\$ 33,296
Total Revenues	<u>\$ 82,716</u>	<u>\$ 57,888</u>	<u>\$ 6,137</u>	<u>\$ 635,278</u>	<u>\$ 33,296</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ 37,670	\$ 3,062	\$ -	\$ -
Purchased Professional & Technical Services	24,723	-	3,075	81,989	-
General Supplies	48,846	-	-	-	-
Tuition	-	-	-	500,599	33,296
Total Instruction	<u>73,569</u>	<u>37,670</u>	<u>6,137</u>	<u>582,588</u>	<u>33,296</u>
Support Services:					
Purchased Professional Educational Services	8,400	9,600	-	31,867	-
Personal Services - Employee Benefits	-	9,794	-	-	-
Other Purchased Services	-	400	-	-	-
Supplies and Materials	747	424	-	20,823	-
Total Support Services	<u>9,147</u>	<u>20,218</u>	<u>-</u>	<u>52,690</u>	<u>-</u>
Total Expenditures	<u>\$ 82,716</u>	<u>\$ 57,888</u>	<u>\$ 6,137</u>	<u>\$ 635,278</u>	<u>\$ 33,296</u>

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

	INITIAL EXAM	ANNUAL EXAM	CORRECTIVE SPEECH	E.S.L	SUPPLEMENTARY INSTRUCTION	HOME INSTRUCTION	COMPENSATORY EDUCATION	NONPUBLIC AUXILIARY CH 192
Revenues:								
State Sources	\$ 8,346	\$ 4,782	\$ 24,088	\$ 690	\$ 13,441	\$ 3,255	\$ 41,624	
Total Revenues	\$ 8,346	\$ 4,782	\$ 24,088	\$ 690	\$ 13,441	\$ 3,255	\$ 41,624	
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 690	\$ -	\$ -	\$ 33,841	
Purchased Professional & Technical Services	8,346	4,782	24,088	-	13,441	-	7,783	
General Supplies	-	-	-	-	-	3,255	-	
Total Instruction	8,346	4,782	24,088	690	13,441	3,255	41,624	
Total Expenditures	\$ 8,346	\$ 4,782	\$ 24,088	\$ 690	\$ 13,441	\$ 3,255	\$ 41,624	

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

	NONPUBLIC NURSING PROGRAM	NONPUBLIC SECURITY	NONPUBLIC TEXTBOOKS PROGRAM	NONPUBLIC TECHNOLOGY PROGRAM	TOTALS
Revenues:					
State Sources	\$ 33,120	\$ 5,168	\$ 20,828	\$ 9,568	\$ 164,910
Federal Sources	-	-	-	-	815,315
Total Revenues	33,120	5,168	\$ 20,828	\$ 9,568	\$ 980,225
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ 75,263
Purchased Professional & Technical Services	33,120	-	-	-	201,347
General Supplies	-	-	-	-	52,101
Tuition	-	-	-	-	533,895
Textbooks	-	-	20,828	-	20,828
Total Instruction	33,120	-	20,828	-	883,434
Support Services:					
Purchased Professional Educational Services	-	-	-	-	49,867
Personal Services - Employee Benefits	-	-	-	-	9,794
Other Purchased Services	-	-	-	-	400
Supplies and Materials	-	-	-	-	21,994
Total Support Services	-	-	-	-	82,055
Facilities Acquisitions & Construction Services:					
Non-Instructional Equipment	-	5,168	-	9,568	14,736
Total Facilities Acquisitions & Construction Services	-	5,168	-	9,568	14,736
Total Expenditures	\$ 33,120	\$ 5,168	\$ 20,828	\$ 9,568	\$ 980,225

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F. Capital Projects Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		CANCELLATION OF SDA GRANT RECEIVABLE	UNEXPENDED BALANCE JUNE 30, 2016
		PRIOR YEARS	CURRENT YEAR		
Milton Allen Elementary School: Security Vestibule	\$ 92,105	\$ 85,903	\$ -	\$ 6,202	\$ -
Memorial Middle School: Access Bridge Replacement	291,118	289,656	-	1,462	-
Memorial Middle School: Fire Alarm Replacement	616,558	600,905	-	15,653	-
Milton Allen Elementary School: Cooling Tower Replacement	158,910	154,037	-	4,873	-
Milton Allen Elementary School: Skylight Replacement	233,950	229,054	-	4,896	-
	<u>\$ 1,392,641</u>	<u>\$ 1,359,555</u>	<u>\$ -</u>	<u>\$ 33,086</u>	<u>\$ -</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues & Other Financing Sources:	
State Sources - ROD Grant	\$ (33,086)
	<hr/>
Total Revenues	(33,086)
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(33,086)
Fund Balance - Beginning	33,086
	<hr/>
Fund Balance - Ending	\$ -
	<hr/> <hr/>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
SECURITY VESTIBULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 36,842	\$ (6,202)	\$ 30,640	\$ 36,842
Lease Purchase Proceeds	55,263	-	55,263	55,263
Total Revenues	92,105	(6,202)	85,903	92,105
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	7,678	-	7,678	10,937
Construction Services	68,922	-	68,922	81,168
Total Expenditures	76,600	-	76,600	92,105
Other Financing Sources/(Uses):				
Transfer to General Fund	(9,303)	-	(9,303)	-
Total Other Financing Sources/(Uses)	(9,303)	-	(9,303)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 6,202	\$ (6,202)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1013-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$156,000
Revised Authorized Cost	\$92,105
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MEMORIAL MIDDLE SCHOOL
ACCESS BRIDGE REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 116,447	\$ (1,462)	\$ 114,985	\$ 116,447
Lease Purchase Proceeds	174,671	-	174,671	174,671
Total Revenues	291,118	(1,462)	289,656	291,118
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	31,952	-	31,952	31,952
Construction Services	255,043	-	255,043	259,166
Total Expenditures	286,995	-	286,995	291,118
Other Financing Sources/(Uses):				
Transfer to General Fund	(2,661)	-	(2,661)	-
Total Other Financing Sources/(Uses)	(2,661)	-	(2,661)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 1,462	\$ (1,462)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-055-14-1009-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$520,000
Revised Authorized Cost	\$291,118
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MEMORIAL MIDDLE SCHOOL
FIRE ALARM REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 245,913	\$ (15,653)	\$ 230,260	\$ 245,913
Lease Purchase Proceeds	370,645	-	370,645	370,645
Total Revenues	616,558	(15,653)	600,905	616,558
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	104,500	-	104,500	141,075
Construction Services	471,152	-	471,152	475,483
Total Expenditures	575,652	-	575,652	616,558
Other Financing Sources/(Uses):				
Transfer to General Fund	(25,253)	-	(25,253)	-
Total Other Financing Sources/(Uses)	(25,253)	-	(25,253)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 15,653	\$ (15,653)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-055-14-1008-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$1,197,000
Revised Authorized Cost	\$616,558
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
COOLING TOWER REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 63,564	\$ (4,873)	\$ 58,691	\$ 63,564
Lease Purchase Proceeds	95,346	-	95,346	95,346
Total Revenues	158,910	(4,873)	154,037	158,910
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	23,431	-	23,431	31,265
Construction Services	119,028	-	119,028	127,645
Total Expenditures	142,459	-	142,459	158,910
Other Financing Sources/(Uses):				
Transfer to General Fund	(11,578)	-	(11,578)	-
Total Other Financing Sources/(Uses)	(11,578)	-	(11,578)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 4,873	\$ (4,873)	-	-

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1010-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$162,124
Revised Authorized Cost	\$158,910
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
SKYLIGHT REPLACEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 93,580	\$ (4,896)	\$ 88,684	\$ 93,580
Lease Purchase Proceeds	140,370	-	140,370	140,370
Total Revenues	233,950	(4,896)	229,054	233,950
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	37,501	-	37,501	50,322
Construction Services	180,207	-	180,207	183,628
Total Expenditures	217,708	-	217,708	233,950
Other Financing Sources/(Uses):				
Transfer to General Fund	(11,346)	-	(11,346)	-
Total Other Financing Sources/(Uses)	(11,346)	-	(11,346)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 4,896	\$ (4,896)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1012-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$325,000
Revised Authorized Cost	\$233,950
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

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G. Proprietary Funds

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Enterprise Funds

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 167,763
Accounts Receivable:	
State	538
Federal	9,460
Inventories	19,068
	196,829
Total Current Assets	196,829
Capital Assets:	
Equipment	223,900
Accumulated Depreciation	(178,947)
	44,953
Total Capital Assets	44,953
Total Assets	241,782
LIABILITIES	
Unearned Revenue	36,855
Interfund Payable- General Fund	8,587
Accounts Payable	56,383
	101,825
Total Liabilities	101,825
NET POSITION	
Net Investment in Capital Assets	44,953
Unrestricted	95,004
	139,957
Total Net Position	\$ 139,957

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD</u> SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 385,370
Daily Sales Nonreimbursable Programs	266,584
Special Functions	<u>46,853</u>
Total Operating Revenue	<u>698,807</u>
Operating Expenses:	
Labor	397,888
Supplies & Materials	47,244
Liability Insurance	12,741
Miscellaneous	8,863
Management Fee	42,420
Depreciation Expense	12,014
Cost of Sales	<u>362,278</u>
Total Operating Expenses	<u>883,448</u>
Operating Income/(Loss)	<u>(184,641)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	7,137
Federal Sources:	
National School Lunch Program	117,975
Healthy Hunger-Free Kids Act	10,127
Food Distribution Program	<u>52,483</u>
Total Nonoperating Revenues	<u>187,722</u>
Net Income/(Loss)	3,081
Net Position/(Deficit) - July 1	<u>136,876</u>
Net Position/(Deficit) - June 30	<u><u>\$ 139,957</u></u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 SCHEDULE OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 707,394
Payments to Employees	(340,931)
Payments to Suppliers	<u>(485,530)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(119,067)</u>
Cash Flows From Noncapital Financing Activities:	
State Sources	7,377
Federal Sources	<u>128,598</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>135,975</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	16,908
Balances - Beginning of Year	<u>150,855</u>
Balances - End of Year	<u><u>\$ 167,763</u></u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (184,641)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Food Distribution Program	52,483
Depreciation & Net Amortization	12,014
Increase/(Decrease) in Prepaid	4,474
(Increase)/Decrease in Inventories	(2,738)
Increase/(Decrease) in Interfund Payable	8,587
Increase/(Decrease) in Accounts Payable	<u>(9,246)</u>
Total Adjustments	<u>65,574</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ (119,067)</u></u>

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	AGENCY		PRIVATE PURPOSE		TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP	
Cash & Cash Equivalents	\$ 250,139	\$ 264,500	\$ 33,806	\$ 11,239	\$ 559,684
Total Assets	250,139	264,500	33,806	11,239	559,684
LIABILITIES					
Payroll Deductions & Withholdings	-	264,500	-	-	264,500
Unemployment Claims Payable	-	-	1,941	-	1,941
Due to Student Groups	250,139	-	-	-	250,139
Total Liabilities	250,139	264,500	1,941	-	516,580
NET POSITION					
Restricted for Unemployment Claims	-	-	31,865	-	31,865
Restricted for Scholarships	-	-	-	11,239	11,239
Total Net Position	\$ -	\$ -	\$ 31,865	\$ 11,239	\$ 43,104

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	
ADDITIONS			
Local Sources:			
Contributions	\$ -	\$ 39,428	\$ 39,428
Interest on Investments	57	-	57
Total Additions	57	39,428	39,485
DEDUCTIONS			
Unemployment Claims	-	20,594	20,594
Scholarships	1,100	-	1,100
Total Deductions	1,100	20,594	21,694
Change in Net Position	(1,043)	18,834	17,791
Fund Balances, July 1	12,282	13,031	25,313
Fund Balances, June 30	\$ 11,239	\$ 31,865	\$ 43,104

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

	BALANCE JUNE 30, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2016
Elementary Schools:				
Taunton Forge	\$ 9,880	\$ 51,887	\$ 43,413	\$ 18,354
Chairville	12,088	51,548	41,911	21,725
Haines	24,506	59,098	49,572	34,032
Cranberry Pines	26,090	33,361	18,225	41,226
Kirby's Mill	20,036	35,487	28,006	27,517
Milton H. Allen	34,168	36,264	35,747	34,685
Total Elementary Schools	126,768	267,645	216,874	177,539
Junior High School:				
Memorial	94,936	265,628	287,964	72,600
Total Junior High School	94,936	265,628	287,964	72,600
Total All Schools	\$ 221,704	\$ 533,273	\$ 504,838	\$ 250,139

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

	BALANCE JUNE 30, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
ASSETS				
Cash & Cash Equivalents	\$ 266,528	\$ 26,768,715	\$ 26,770,743	\$ 264,500
Total Assets	\$ 266,528	\$ 26,768,715	\$ 26,770,743	\$ 264,500
LIABILITIES				
Net Payroll & Withholdings	\$ 266,528	\$ 26,768,715	\$ 26,770,743	\$ 264,500
Total Liabilities	\$ 266,528	\$ 26,768,715	\$ 26,770,743	\$ 264,500

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I. Long-Term Debt

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2015	ISSUED	RETIRED	DEFEASED	BALANCE JUNE 30, 2016
Refunding Bond Issue	02/07/2006	\$ 28,710,000				\$ 22,525,000	-	\$ 1,690,000	\$ 20,835,000	\$ -
Refunding Bond Issue	12/16/2015	18,715,000	03/01/17	\$ 1,570,000	4.000%	-	18,715,000	260,000	-	18,455,000
			03/01/18	1,630,000	4.000%					
			03/01/19	1,660,000	4.000%					
			03/01/20	1,740,000	5.000%					
			03/01/21	650,000	2.000%					
			03/01/21	1,085,000	5.000%					
			03/01/22	1,710,000	5.000%					
			03/01/23	1,705,000	5.000%					
			03/01/24	1,695,000	5.000%					
			03/01/25	1,685,000	5.000%					
			03/01/26	1,670,000	5.000%					
			03/01/27	1,655,000	5.000%					
Total						\$ 22,525,000	\$ 18,715,000	\$ 1,950,000	\$ 20,835,000	\$ 18,455,000

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

DESCRIPTION	DATE OF LEASE	TERM	LAST PAYMENT DUE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Networking Equipment	1/10/2012	5 YEARS	9/10/2016	2.79%	\$ 553,577	\$ 153,566	\$ -	\$ 153,566	\$ -
Copiers for Memorial Media Center & Haines Guidance	10/15/2011	5 YEARS	9/15/2016	5.93%	28,705	7,990	-	7,439	551
2010/2005 54 Passenger School Buses (2)	7/10/2012	4 YEARS	8/1/2015	2.48%	183,000	40,159	-	40,159	-
Copiers for Haines, Taunton & Business Office	7/1/2013	5 YEARS	6/15/2018	N/A	110,208	68,870	-	68,870	-
2010/2012 54 Passenger School Buses (2)	7/10/2013	5 YEARS	8/1/2017	N/A	211,000	126,732	-	41,284	85,448
Lease Purchase Agreement for Various Capital Improvement Projects *	4/22/2014	5 YEARS	3/15/2019	1.63%	1,200,000	960,000	-	240,000	720,000
2015 54 Passenger School Buses (5)	7/1/2014	4 YEARS	7/1/2018	1.31%	426,119	341,429	-	83,698	257,731
Copiers for Various Locations	7/15/2014	5 YEARS	6/15/2019	N/A	326,058	265,207	-	62,958	202,249
2016 54 Passenger School Buses	8/7/2015	5 YEARS	9/1/2019	1.57%	525,028	-	525,028	87,028	438,000
Energy Savings Improvement Program (ESIP)	10/29/2015	15 YEARS	6/30/2031	2.48%	2,460,940	-	2,460,940	38,800	2,422,140
Total					\$	1,963,953	\$ 2,985,968	\$ 823,802	\$ 4,126,119

* - This capital lease is accounted for in the Capital Projects fund.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016**

	JUNE 30, 2016				VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,618,288	\$ -	\$ 2,618,288	\$ 2,618,288	\$ -
Total Revenues	2,618,288	-	2,618,288	2,618,288	-
Expenditures:					
Regular Debt Service:					
Interest	928,288	-	928,288	665,076	263,212
Redemption of Principal	1,690,000	-	1,690,000	1,950,000	(260,000)
Bond Issuance Costs (Nonbudgeted)	-	-	-	126,860	(126,860)
Total Expenditures	2,618,288	-	2,618,288	2,741,936	(123,648)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	(123,648)	(123,648)
Other Financing Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	21,379,164	21,379,164
Payment to Refunding Bond Escrow Agent	-	-	-	(21,252,304)	(21,252,304)
Total Other Financing Sources/(Uses)	-	-	-	126,860	126,860
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	-	-	-	3,212	3,212
Fund Balances July 1, 2015	34	-	34	34	-
Fund Balances June 30, 2016	\$ 34	\$ -	\$ 34	\$ 3,246	\$ 3,212

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2016**

	OUTSTANDING BALANCE 2015	ADDITIONS/ (DEDUCTIONS)	OUTSTANDING BALANCE 2016
Compensated Absences	\$ 1,561,409	\$ 68,311	\$ 1,629,720

STATISTICAL SECTION (Unaudited)

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 33,829,130	\$ 32,270,778	\$ 31,885,856	\$ 31,015,580	\$ 35,288,542	\$ 35,375,706	\$ 35,076,157	\$ 34,052,853	\$ 33,170,798	\$ 31,307,648
Restricted	3,945,091	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644
Unrestricted	(10,349,224)	(9,728,096)	(9,138,954)	1,252,295	(74,640)	(1,815,821)	(1,240,464)	(1,456,480)	(465,724)	311,251
Total Governmental Activities Net Position	\$ 27,424,997	\$ 24,724,817	\$ 24,093,631	\$ 34,387,811	\$ 39,155,556	\$ 37,112,302	\$ 36,560,104	\$ 37,374,893	\$ 37,325,620	\$ 37,464,543
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 44,953	\$ 56,967	\$ 68,981	\$ 81,874	\$ 25,434	\$ 33,370	\$ 42,554	\$ 52,788	\$ 66,331	\$ 75,601
Unrestricted	95,004	79,909	85,683	111,287	138,300	146,823	138,442	120,281	135,634	130,458
Total Business-Type Activities Net Position	\$ 139,957	\$ 136,876	\$ 154,664	\$ 193,161	\$ 163,734	\$ 180,193	\$ 180,996	\$ 173,069	\$ 201,965	\$ 206,059
District-Wide:										
Net Investment in										
Capital Assets	\$ 33,874,083	\$ 32,327,745	\$ 31,954,837	\$ 31,097,454	\$ 35,313,976	\$ 35,409,076	\$ 35,118,711	\$ 34,105,641	\$ 33,237,129	\$ 31,383,249
Restricted	3,945,091	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644
Unrestricted	(10,254,220)	(9,648,187)	(9,053,271)	1,363,582	63,660	(1,668,998)	(1,102,022)	(1,336,199)	(330,090)	441,709
Total District Net Position	\$ 27,564,954	\$ 24,861,693	\$ 24,248,295	\$ 34,580,972	\$ 39,319,290	\$ 37,292,495	\$ 36,741,100	\$ 37,547,962	\$ 37,527,585	\$ 37,670,602

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 13,758,874	\$ 13,812,482	\$ 13,264,305	\$ 13,156,839	\$ 12,409,724	\$ 12,028,959	\$ 13,153,219	\$ 13,569,075	\$ 12,836,488	\$ 12,735,190
Special Education	6,050,481	5,251,205	5,332,693	5,308,220	5,033,439	4,845,628	4,370,758	4,139,178	4,159,125	3,627,369
Other Special Instruction	512,589	436,086	500,752	402,047	337,313	376,690	329,607	366,000	329,607	305,684
Other Instruction	80,663	121,015	99,833	120,261	42,175	13,496	124,659	123,639	161,580	116,956
Support Services & Undistributed Costs:										
Tuition	1,254,692	1,486,260	1,723,175	1,338,256	1,502,954	1,380,735	1,578,557	1,256,541	1,351,346	1,951,907
Attendance & Social Work Services	16,130	15,718	14,617	15,115	13,830	4,914	6,175	5,997	5,299	2,496
Health Services	534,331	503,721	490,200	492,596	520,812	516,355	503,881	465,904	528,467	498,063
Student & Instruction Related Services	2,852,636	2,857,722	2,791,497	2,841,851	2,791,267	3,090,874	3,541,219	2,629,436	3,260,812	2,123,689
Educational Media Services/School Library	478,188	481,778	444,490	365,627	354,003	373,335	606,831	493,028	598,062	597,151
Instructional Staff Training	652,502	633,882	644,526	431,881	575,670	553,037	672,153	597,141	522,951	428,041
School Administrative Services	3,647,313	3,435,720	3,271,999	3,068,602	999,195	980,190	846,608	842,964	907,487	919,286
Other Administrative Services	1,014,369	883,693	889,890	828,865	2,700,993	2,453,549	2,689,154	2,621,113	2,828,830	2,620,692
Plant Operations & Maintenance	3,197,338	4,452,043	3,983,931	3,788,271	3,502,879	3,849,537	3,825,265	3,339,295	3,461,444	3,482,568
Pupil Transportation	3,286,286	3,386,312	3,787,193	3,429,686	3,405,580	3,202,868	3,280,228	2,942,096	3,214,706	2,829,355
Unallocated Benefits	17,808,666	15,621,007	10,688,097	11,119,839	10,094,703	9,943,646	10,095,072	9,661,654	10,797,442	10,017,055
Transfer to Charter Schools	-	11,840	22,394	31,998	1,358,396	1,484,245	1,404,885	1,592,479	1,578,613	1,544,203
Long-Term Debt and Other Charges	795,328	1,131,442	1,191,496	1,294,440	77,077	33,983	80,512	70,828	60,199	39,698
Special Schools	74,267	71,712	58,490	69,048	77,077	33,983	80,512	70,828	60,199	39,698
Amortization of Bond Issuance Costs	-	-	-	14,115	14,114	14,114	14,117	14,114	3,782	3,782
Unallocated Amortization of Loss on Refunding	-	-	33,218	33,218	33,218	33,218	33,218	33,218	33,218	293,024
Increase in Compensated Absences	68,311	(103,086)	165,365	(120,277)	12,579	101,508	36,274	418,323	234,547	(223,569)
Reduction in Capital Leases	-	-	(542,720)	(465,873)	(361,675)	(331,829)	(481,092)	-	-	-
Adjustment to Capital Assets	-	-	-	5,829,345	-	-	-	-	-	-
Unallocated Depreciation	-	-	-	1,748,398	2,133,778	2,133,778	1,948,724	2,057,407	1,563,965	989,041
Total Governmental Activities Expenses	\$ 57,618,566	\$ 56,790,554	\$ 51,257,291	\$ 55,142,368	\$ 47,552,024	\$ 47,010,830	\$ 48,706,620	\$ 47,239,430	\$ 48,437,970	\$ 44,901,681
Business-Type Activities:										
Food Service	883,448	881,083	857,994	832,583	894,710	867,830	849,527	865,203	843,317	755,102
Total Business-Type Activities Expense	883,448	881,083	857,994	832,583	894,710	867,830	849,527	865,203	843,317	755,102
Total District Expenses	\$ 58,502,014	\$ 57,671,637	\$ 52,115,285	\$ 55,974,951	\$ 48,446,734	\$ 47,878,660	\$ 49,556,147	\$ 48,104,633	\$ 49,281,287	\$ 45,656,783
Program Revenues:										
Governmental Activities:										
Charges for Services:	\$ 11,441,304	\$ 5,321,321	\$ 905,056	\$ 952,932	\$ 958,306	\$ 924,614	\$ 1,587,530	\$ 997,396	\$ 989,112	\$ 987,128
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 11,441,304	\$ 5,321,321	\$ 905,056	\$ 952,932	\$ 958,306	\$ 924,614	\$ 1,587,530	\$ 997,396	\$ 989,112	\$ 987,128

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities:										
Charges for Services:										
Food Service	698,807	690,679	643,545	623,272	711,617	711,798	726,570	707,079	703,182	625,112
Operating Grants & Contributions	187,722	172,616	175,423	167,915	163,583	152,276	128,576	126,729	127,357	122,541
Total Business Type Activities	886,529	863,295	818,968	791,187	875,200	864,074	855,146	833,808	830,539	747,653
Program Revenues	\$ 12,327,833	\$ 6,184,616	\$ 1,724,024	\$ 1,744,119	\$ 1,833,506	\$ 1,788,688	\$ 2,442,676	\$ 1,831,204	\$ 1,819,651	\$ 1,734,781
Total District Program Revenues	\$ (46,177,262)	\$ (51,469,233)	\$ (52,140,822)	\$ (50,352,235)	\$ (54,189,436)	\$ (46,593,718)	\$ (46,086,216)	\$ (47,119,090)	\$ (46,242,034)	\$ (47,448,858)
Governmental Activities	3,081	(17,788)	(62,115)	(66,807)	42,617	(30,636)	(12,684)	(15,719)	(34,664)	(95,664)
Business-Type Activities	\$ (46,174,181)	\$ (51,487,021)	\$ (52,202,937)	\$ (50,419,042)	\$ (54,146,819)	\$ (46,624,354)	\$ (46,098,900)	\$ (47,134,809)	\$ (46,276,698)	\$ (47,544,522)
Total District-Wide Net Expense										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 40,491,836	\$ 38,926,028	\$ 37,514,654	\$ 36,307,156	\$ 36,417,885	\$ 36,046,947	\$ 35,454,808	\$ 34,491,065	\$ 34,153,568	\$ 32,595,738
Taxes Levied for Debt Service	2,618,288	3,309,458	3,384,198	3,458,801	3,348,072	3,083,050	2,927,866	2,931,840	3,037,016	2,984,124
Federal & State Aid Not Restricted	5,074,685	9,624,963	8,693,712	9,076,950	8,154,002	6,723,025	7,114,398	8,149,046	9,457,957	9,171,373
Miscellaneous Income	692,633	702,533	652,205	544,166	682,395	750,773	733,606	695,745	680,138	808,788
Amortization of Gain on Early Retirement of Debt	-	-	34,618	34,618	34,618	34,619	34,618	34,619	-	-
Cancellation of Accounts Payable	-	-	-	-	-	-	39,005	-	-	-
Cancellation of EDA Receivable	-	-	-	-	-	-	-	(35,294)	-	(131,788)
Total Governmental Activities	48,877,442	52,562,982	50,279,387	49,421,691	48,636,972	46,638,414	46,304,301	46,267,021	47,328,679	45,428,235
Business-Type Activities:										
Adjustment to Capital Assets	-	-	-	69,593	-	-	-	-	-	-
Investment Earnings	-	-	529	1,230	3,051	2,953	2,308	2,499	8,684	10,762
Total Business-Type Activities	-	-	529	70,823	3,051	2,953	2,308	2,499	8,684	10,762
Total District-Wide	\$ 48,877,442	\$ 52,562,982	\$ 50,279,916	\$ 49,492,514	\$ 48,640,023	\$ 46,641,367	\$ 46,306,609	\$ 46,269,520	\$ 47,337,363	\$ 45,438,997
Change in Net Position:										
Governmental Activities	\$ 2,700,180	\$ 1,093,749	\$ (1,861,435)	\$ (930,544)	\$ (5,552,464)	\$ 44,696	\$ 218,085	\$ (852,069)	\$ 1,086,645	\$ (2,020,623)
Business-Type Activities	3,081	(17,788)	(61,586)	4,016	45,668	(27,683)	(10,376)	(13,220)	(25,980)	(84,902)
Total District	\$ 2,703,261	\$ 1,075,961	\$ (1,923,021)	\$ (926,528)	\$ (5,506,796)	\$ 17,013	\$ 207,709	\$ (865,289)	\$ 1,060,665	\$ (2,105,525)

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 4,249,714	\$ 2,504,730	\$ 1,675,613	\$ 557,903	\$ 2,935,478	\$ 1,338,338	\$ 1,022,157	\$ 4,774,637	\$ 4,154,668	\$ 4,937,825
Assigned	1,849,135	2,014,037	2,125,628	2,881,855	1,447,135	1,617,516	1,902,591	-	-	-
Unassigned	507,317	533,214	557,967	1,788,253	1,008,487	1,014,529	483,659	353,293	593,063	637,427
Total General Fund	\$ 6,606,166	\$ 5,051,981	\$ 4,359,208	\$ 5,228,010	\$ 5,391,100	\$ 3,970,383	\$ 3,408,407	\$ 5,127,930	\$ 4,747,731	\$ 5,575,252
All Other Governmental Funds:										
Assigned	\$ 3,246	\$ 34	\$ 20,076	\$ 29,970	\$ 12,402	\$ 33,565	\$ 250,000	\$ 441,284	\$ -	\$ 477,117
Committed	-	-	1,105,302	-	-	-	-	-	-	-
Unassigned:										
Capital Projects Fund	-	-	-	-	-	-	-	128,279	567,703	1,086,538
Debt Service Fund	-	-	-	-	-	-	31,078	-	441,284	441,284
Permanent Fund	-	-	-	-	-	-	-	-	-	18,744
Total All Other Governmental Funds	\$ 3,246	\$ 34	\$ 1,125,378	\$ 29,970	\$ 12,402	\$ 33,565	\$ 281,078	\$ 569,563	\$ 1,008,987	\$ 2,023,683

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Tax Levy	\$ 43,110,124	\$ 42,235,486	\$ 40,898,852	\$ 39,765,957	\$ 39,765,957	\$ 39,129,997	\$ 38,382,674	\$ 37,422,905	\$ 37,190,584	\$ 35,579,862
Miscellaneous	692,633	702,533	652,205	544,166	682,395	750,773	733,606	695,745	680,138	808,788
State Sources	10,030,475	9,784,761	8,836,440	9,208,751	8,097,046	6,845,006	6,688,886	8,316,989	9,617,272	9,350,643
Federal Sources	815,315	778,493	762,328	821,131	1,015,262	802,633	2,013,042	829,453	829,797	807,858
Total Revenue	54,648,547	53,501,273	51,149,825	50,340,005	49,560,660	47,528,409	47,818,208	47,265,092	48,317,791	46,547,151
Expenditures:										
Current Expense:										
Instruction	20,402,607	19,620,788	19,197,583	18,987,367	17,822,651	17,192,773	18,024,839	18,197,892	17,467,920	16,785,199
Undistributed Expenditures	28,704,036	28,158,781	28,064,179	27,256,044	26,213,499	26,088,073	27,645,143	25,078,803	27,316,280	25,562,370
Capital Outlay	4,281,132	3,493,388	1,707,668	882,782	1,506,711	775,374	1,002,028	1,246,592	1,883,489	1,681,124
Special Schools	74,267	71,712	58,490	69,048	77,077	33,983	80,512	70,828	60,199	39,698
Debt Service	2,741,936	3,329,512	3,394,113	3,441,288	3,369,450	3,333,050	3,359,150	3,344,908	3,416,036	3,527,418
Total Expenditures	56,203,978	54,674,181	52,422,033	50,636,529	48,989,388	47,423,253	50,111,672	47,939,023	50,143,924	47,595,809
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,555,431)	(1,172,908)	(1,272,208)	(296,524)	571,272	105,156	(2,293,464)	(673,931)	(1,826,133)	(1,048,658)
Other Financing Sources/(Uses):										
Cancellation of EDA Receivable	-	-	-	-	-	-	-	(35,294)	-	(131,788)
Cancellation of Accounts Payable	-	-	-	-	-	-	39,005	-	-	-
Transfer to Charter Schools	-	(11,840)	(22,394)	(31,998)	-	-	-	-	-	-
Proceeds of Refunding Bonds	21,379,164	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	(21,252,304)	-	-	-	-	-	-	-	-	-
Lease Purchase Proceeds	-	-	1,200,000	-	-	-	-	-	-	-
Capital Leases (Nonbudget)	2,985,968	752,177	321,208	183,000	828,282	209,307	246,451	650,000	487,992	579,045
Total Other Financing Sources/(Uses)	3,112,828	740,337	1,498,814	151,002	828,282	209,307	285,456	614,706	487,992	447,257
Net Change in Fund Balances	\$ 1,557,397	\$ (432,571)	\$ 226,606	\$ (145,522)	\$ 1,399,554	\$ 314,463	\$ (2,008,008)	\$ (59,225)	\$ (1,338,141)	\$ (601,401)
Debt Service as a Percentage of Noncapital Expenditures	5.3%	6.5%	6.7%	6.9%	7.1%	7.1%	6.8%	7.2%	7.1%	7.7%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDED JUNE 30,	TUITION	TRANSPORTATION AGREEMENTS	INTEREST ON PRIOR YEAR INVESTMENTS	REFUNDS	MISCELLANEOUS	DONATION	SALE & TRANSPORTATION		FEMA REIMBURSEMENT	REBATES FOR		TOTAL
							FEES	CONSERVATION		ENERGY	INSURANCE	
2016	\$16,240	\$ -	\$ -	\$ 3,530	\$ 576,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	596,413
2015	-	-	17,948	-	597,275	-	-	-	-	-	-	615,223
2014	166,523	-	32,990	-	452,671	-	-	-	-	-	-	652,184
2013	18,533	-	49,433	-	476,145	-	-	-	-	-	-	544,111
2012	71,309	62,258	93,590	-	455,023	-	-	-	-	-	-	682,180
2011	74,326	54,663	85,238	22,532	427,470	-	38,334	45,723	-	-	-	748,286
2010	109,297	57,147	98,828	2,351	391,027	-	-	-	68,430	-	-	727,080
2009	83,904	93,302	93,658	3,751	335,862	-	-	-	76,330	-	-	686,807
2008	80,042	51,886	268,613	11,948	149,230	-	-	-	77,134	-	-	638,853
2007	51,965	66,883	369,629	10,478	127,347	10,000	-	-	98,171	-	10,978	745,451

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2016	\$ 20,976,500	\$ 2,603,839,000	\$ 36,682,600	\$ 2,167,100	\$ 249,910,900	\$ 16,368,800	\$ 49,704,300	\$ 2,979,649,200	\$ 5,450,433	\$ 2,985,099,633	2.205	\$ 3,128,816,643
2015	22,987,200	2,580,361,200	38,040,700	2,341,800	256,944,800	16,368,800	50,204,300	2,967,248,800	5,541,405	2,972,790,205	2.170	3,128,816,643
2014	25,778,700	2,565,183,800	39,418,600	2,283,700	260,207,300	16,368,800	56,132,200	2,965,373,100	5,480,053	2,970,853,153	2.109	3,145,328,147
2013	28,587,900	2,552,413,700	40,497,600	2,933,500	270,483,900	16,368,800	56,932,200	2,968,217,600	7,676,777	2,975,894,377	2.020	3,120,094,011
2012	33,786,000	2,563,221,000	41,927,400	2,838,700	282,365,000	22,014,400	63,483,400	3,009,635,900	8,901,541	3,018,537,441	1.915	3,190,029,902
2011	17,360,100	1,541,272,500	21,760,600	3,023,000	149,260,800	9,287,700	29,815,900	1,771,780,600	5,092,638	1,776,873,238	3.224	3,190,029,902
2010	17,529,990	1,543,351,150	21,166,210	2,814,750	151,250,400	9,632,700	29,815,900	1,775,561,100	5,574,837	1,781,135,937	3.153	3,419,519,452
2009	18,184,300	1,545,481,100	21,002,200	2,795,800	150,000,300	9,632,700	29,815,900	1,776,912,300	5,060,019	1,781,972,319	3.068	3,497,216,064
2008	19,490,900	1,543,120,700	20,985,600	2,371,800	148,612,500	9,632,700	29,815,900	1,774,030,100	4,312,379	1,778,342,479	3.009	3,392,905,370
2007	19,726,600	1,540,876,800	20,521,400	2,390,000	148,084,500	8,942,700	29,815,900	1,770,357,900	4,368,758	1,774,726,658	3.019	3,216,151,933

Source: Burlington County Abstract of Ratables

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOWNSHIP		MUNICIPAL		
			MEDFORD TOWNSHIP	BURLINGTON COUNTY	OPEN SPACE		
2016	1.465	0.740	0.410	0.447	0.030	3.092	
2015	1.450	0.720	0.411	0.435	0.030	3.046	
2014	1.422	0.687	0.411	0.403	0.030	2.953	
2013	1.374	0.646	0.412	0.395	0.029	2.856	
2012	1.318	0.597	0.413	0.401	0.029	2.758	
2011	2.238	0.986	0.521	0.695	0.030	4.470	
2010	2.197	0.956	0.495	0.729	0.030	4.407	
2009	2.154	0.914	0.495	0.715	0.030	4.308	
2008	2.104	0.905	0.495	0.743	0.030	4.277	
2007	2.096	0.923	0.498	0.763	0.030	4.310	

Source: Municipal Tax Collector

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2016		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh T/A Medford Leas	\$ 27,941,000		0.94%
Sharp Run, LLC	15,344,900		0.51%
Medford Associates, L.P.	12,659,000		0.42%
Medford Supermarket Properties	9,401,500		0.31%
Haynes Run, LLC.	8,458,400		0.28%
Medford Convalescent & Nursing Center	8,049,200		0.27%
Medford Center Associates	7,833,600		0.26%
Verizon, Inc.	7,200,000		0.24%
Medford Investor Associates	5,450,433		0.18%
Depetris Family c/o Tauton Forge	5,353,400		0.18%
Total	<u>\$ 107,691,433</u>		<u>3.61%</u>

TAXPAYER	2007		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh	\$ 18,959,900		1.07%
Wharton Hardware	8,480,000		0.48%
Medford Associates, LLP	5,800,000		0.33%
Medford Supermarket Properties	4,507,000		0.26%
Medford Convalescent & Nursing Center	4,100,000		0.00%
Haynes Run Apartments	3,550,000		0.20%
Medford Medical Group	3,500,000		0.20%
Medford Center Associates	3,163,600		0.18%
Medford Investors Associates	700,000		0.04%
Ironstone Village	600,000		0.03%
Total	<u>\$ 53,360,500</u>		<u>2.79%</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2016	\$ 43,110,124	\$ 43,110,124	100.00%
2015	42,235,486	42,235,486	100.00%
2014	40,898,852	40,898,852	100.00%
2013	39,765,957	39,765,957	100.00%
2012	39,765,957	39,765,957	100.00%
2011	39,129,997	39,129,997	100.00%
2010	38,382,674	38,382,674	100.00%
2009	37,422,905	37,422,905	100.00%
2008	37,190,584	37,190,584	100.00%
2007	35,579,862	35,579,862	100.00%

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2016	\$ 18,455,000	\$ 4,126,119	\$	22,581,119	N/A
2015	20,525,000	2,037,548		22,272,548	N/A
2014	24,815,000	1,963,953		26,778,953	1,147
2013	27,065,000	911,870		27,976,870	1,204
2012	29,260,000	1,194,743		30,454,743	1,310
2011	31,305,000	728,136		32,033,136	1,385
2010	33,230,000	850,659		34,080,659	1,480
2009	35,100,000	1,085,300		36,185,300	1,592
2008	36,875,000	886,064		37,761,064	1,657
2007	38,795,000	854,013		39,649,013	1,740

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2016	18,455,000	-	18,455,000	0.62%	N/A
2015	20,525,000	-	20,525,000	0.68%	N/A
2014	24,815,000	-	24,815,000	0.83%	1,062
2013	27,065,000	-	27,065,000	0.91%	1,164
2012	29,260,000	-	29,260,000	0.98%	1,259
2011	31,305,000	-	31,305,000	1.04%	1,353
2010	33,230,000	-	33,230,000	1.87%	1,443
2009	35,100,000	-	35,100,000	1.97%	1,544
2008	36,875,000	-	36,875,000	2.07%	1,618
2007	38,795,000	-	38,795,000	2.18%	1,702

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lenape Regional High School	\$ 60,835,000	17.72%	\$ 10,779,962
Medford Township	50,334,014	100%	50,334,014
Burlington County	282,131,755	6.85%	19,313,236
Subtotal, Overlapping Debt			80,427,212
Medford Township Public School District Debt			18,455,000
Total Direct & Overlapping Debt			<u>\$ 98,882,212</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 94,102,466	\$ 94,102,466	\$ 95,326,820	\$ 96,548,371	\$ 98,669,564	\$ 101,646,063	\$ 102,730,334	\$ 100,526,487	\$ 94,165,294	\$ 85,867,210
Total Net Debt Applicable to Limit	18,455,000	20,525,000	24,815,000	27,065,000	29,260,000	31,305,000	33,230,000	35,100,000	37,045,000	38,795,000
Legal Debt Margin	\$ 75,647,466	\$ 73,577,466	\$ 70,511,820	\$ 69,483,371	\$ 69,409,564	\$ 70,341,063	\$ 69,500,334	\$ 65,426,487	\$ 57,120,294	\$ 47,072,210
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (3.0%)	0.588%	0.654%	0.781%	0.841%	0.890%	0.924%	0.970%	1.047%	1.180%	1.355%

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis	
2015	\$ 3,118,163,091
2014	3,139,642,056
2013	3,152,441,500
	<u>\$ 9,410,246,647</u>
Average Equalized Valuation of Taxable Property	<u>\$ 3,136,748,882.33</u>
Debt Limit (3 % of Average Equalization Value), Net Bonded School Debt	<u>\$ 94,102,466</u>
Legal Debt Margin	<u>\$ 75,647,466</u>

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	BURLINGTON	UNEMPLOYMENT RATE (d)
			COUNTY PER CAPITA INCOME	
2015	23,141	\$ 1,078,995,407	46,627	6.0%
2014	23,357	1,255,368,679	53,747	5.1%
2013	23,245	1,200,325,310	51,638	6.0%
2012	23,246	1,189,009,654	51,149	5.7%
2011	23,132	1,144,363,172	49,471	5.5%
2010	23,032	1,096,000,752	47,586	5.7%
2009	22,726	1,076,848,784	47,384	5.3%
2008	22,794	1,088,595,852	47,758	5.3%
2007	22,788	1,054,970,460	46,295	1.7%
2006	23,181	1,031,994,939	44,519	2.4%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
(b) Personal income calculated using population and per capita personal income
(c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
N/A - Information not available

PRINCIPAL EMPLOYERS

	2016
	<u>EMPLOYEES</u>
Medford Township Board of Education	N/A
The Estaugh	N/A
Shop Rite	N/A
Medford Convalescent	N/A
Acme	N/A
McDonalds	N/A
	<hr/>
Total	-
	<hr/> <hr/>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	178	167	156	212	212	214	238	238	240	239
Special Education	53	47	46	48	48	48	49	49	48	45
Other Special Education	27	34	34	118	118	118	120	121	121	118
Support Services:										
School Administrative Services	30	29	29	18	18	18	20	20	20	20
General & Business Administrative Services	10	7	7	6	6	6	6	7	7	7
Plant Operations & Maintenance	31	23	22	27	27	27	30	32	35	36
Pupil Transportation	55	55	51	50	50	50	56	57	59	59
Business & Other Support Services	5	14	14	5	5	5	5	5	5	5
Total	389	376	359	484	484	486	529	535	529	530

Source: District Personnel Records

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL				
2016	2,752	\$ 49,180,910	\$ 17,871	0.0061%	227	1:12	1:11	2,734	2,630	-0.07%	95.57%
2015	2,804	47,851,281	17,065	0.0059%	243	1:11	1:12	2,736	2,632	-1.12%	93.87%
2014	2,807	47,851,281	17,047	0.0068%	236	1:11	1:14	2,767	2,666	-5.76%	94.98%
2013	2,933	46,312,459	15,790	0.0074%	260	1:13	1:16	2,936	2,818	-2.56%	96.08%
2012	3,017	44,113,227	14,622	0.0074%	265	1:14	1:17	3,013	2,897	-1.82%	96.02%
2011	3,076	43,314,829	14,082	0.0065%	267	1:19	1:22	3,069	2,953	-1.54%	96.00%
2010	3,118	45,750,494	14,673	0.0074%	287	1:17	1:19	3,117	2,986	1.10%	95.77%
2009	3,074	43,347,523	14,101	0.0079%	287	1:14	1:19	3,083	2,969	0.78%	96.58%
2008	3,067	40,914,612	13,340	0.0071%	288	1:13	1:18	3,059	2,953	-1.06%	96.28%
2007	3,093	42,387,267	13,704	0.0086%	284	1:14	1:19	3,092	2,979	0.12%	96.31%

Sources: District records

Note: Enrollment based on annual October district count.

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
DISTRICT BUILDINGS										
Elementary Schools:										
Chairville School (2004):										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	500	500	500	500	500	500	500	500	500	500
Enrollment	392	423	463	463	503	495	476	454	442	424
Cranberry Pines School (1979):										
Square Feet	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231
Capacity (Students)	479	479	479	479	479	479	479	479	479	479
Enrollment (a)	373	340	355	355	362	378	392	406	424	456
Kirby's Mill School (2004):										
Square Feet	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Capacity (Students)	515	515	515	515	515	515	515	515	515	500
Enrollment	332	324	327	327	331	364	394	407	396	387
Milton Allen School (1926):										
Square Feet	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396
Capacity (Students)	486	486	486	486	486	486	486	486	486	486
Enrollment	345	362	376	376	388	389	392	392	397	405
Taunton Forge School (1975):										
Square Feet	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772
Capacity (Students)	447	447	447	447	447	447	447	447	447	447
Enrollment	283	310	310	310	327	347	378	385	362	367
Middle School:										
Haines 6th Grade Center (1960):										
Square Feet	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363
Capacity (Students)	461	461	461	461	461	461	461	461	461	461
Enrollment	357	320	350	350	369	377	348	357	356	337
Memorial Middle School (1968):										
Square Feet	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750
Capacity (Students)	1131	1131	1131	1131	1131	1131	1131	1131	1131	1131
Enrollment	670	725	749	749	737	726	741	673	682	715
Other Buildings:										
Transportation Center (2003):										
Square Feet	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Warehouse: Old Bus Garage (1946):										
Square Feet	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420

Number of Schools at June 30, 2016:
 Elementary = 5
 Middle School = 1
 Sixth Grade Center = 1
 Other = 2

Source: District Facilities Office
 Note: Year of original construction is shown in parentheses.
 Enrollment is based on the annual October District count.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

	CHAIRVILLE SCHOOL	CRANBERRY PINES SCHOOL	HAINES 6TH GRADE CENTER	KIRBY'S MILL SCHOOL	MEMORIAL MIDDLE SCHOOL	MILTON ALLEN SCHOOL	TAUNTON FORGE SCHOOL	TOTAL
2016	\$ 104,052	\$ 139,720	\$ 114,394	\$ 91,341	\$ 316,778	\$ 136,507	\$ 109,642	\$ 1,012,434
2015	69,036	108,099	103,178	69,714	230,406	118,879	116,181	815,493
2014	50,093	82,107	94,435	88,311	241,904	96,665	98,182	751,696
2013	54,389	79,857	85,913	60,108	209,699	101,942	102,177	694,085
2012	58,330	73,886	71,941	53,978	179,811	109,904	100,275	648,125
2011	45,540	72,597	76,925	44,991	176,664	108,539	104,596	629,852
2010	55,536	88,240	93,567	54,501	215,078	132,121	127,556	812,959
2015	54,259	108,678	124,562	56,745	210,357	141,241	117,117	812,959
2008	63,590	128,905	144,794	66,559	358,048	153,721	128,271	1,043,888
2007	91,090	119,110	143,302	106,618	259,585	180,382	146,516	1,046,603

Source: District records

**MEDFORD TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2016
Unaudited**

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	175,000	
Workers Compensation-Self Insured Retention	250,000	
Crime- Self insured Retention	250,000	500
School Pool For Excess Liability Limits **		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	20,000,000	
General Liability / Auto Liability	20,000,000	
Educators' Legal Liability	20,000,000	
Travelers Insurance Company		
Boiler and Machinery	125,000,000	1,000
AIG / Commerce and Industry Insurance company		
Pollution Legal Liability	3,000,000	25,000
AIG / Lexington Insurance Company, Inc.		
Cyber Liability	1,000,000	25,000
Selective Insurance Company of America:		
Surety - Treasurer of Monies	325,000	
Surety - Board Secretary	250,000	

Excess and Reinsurance Carriers Involved **

Property and Crime	SPELLJIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company
General Liability and Automobile Liability	SPELLJIF, Great American Insurance Company
Workers Compensation	SPELLJIF, Great American Insurance Company, Safety National Casualty Company
Educator Legal Liability	SPELLJIF, Great American Insurance Company, General Reinsurance Corp.

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Medford Township Public School District
County of Burlington
Medford, New Jersey 08055

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Medford Township Public School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Medford Township Public School District’s basic financial statements, and have issued our report thereon dated October 24, 2016 .

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 24, 2016



HOLMAN | FRENIA
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EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Medford Township Public School District
County of Burlington
Medford, New Jersey 08055

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Medford Township Public School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to

obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Medford Township Public School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
October 24, 2016

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MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASS -													
THROUGH STATE DEPARTMENT OF EDUCATION:													
Child Nutrition Cluster:													
Noncash Assistance:													
Food Distribution Program	10.555	1616IN1304N1099	N/A	\$56,321	7/1/15-6/30/16	\$ -	\$ 56,321	\$ (52,486)	\$ -	\$ -	\$ -	\$ 3,835	\$ -
Cash Assistance:													
National School Lunch Program	10.555	1616IN1304N1099	N/A	117,975	7/1/15-6/30/16	-	109,280	(117,975)	-	-	(8,695)	-	-
National School Lunch Program	10.555	1616IN1304N1099	N/A	107,423	7/1/14-6/30/15	(8,962)	8,962	-	-	-	-	-	-
Subtotal						(8,962)	174,563	(170,461)	-	-	(8,695)	3,835	-
Healthy Hunger-Free Kids Act	10.551	1616IN1304N1099	N/A	10,127	7/1/15-6/30/16	-	9,362	(10,127)	-	-	(765)	-	-
Healthy Hunger-Free Kids Act	10.551	1616IN1304N1099	N/A	9,493	7/1/14-6/30/15	(826)	826	-	-	-	-	-	-
Subtotal						(826)	10,188	(10,127)	-	-	(765)	-	-
Special Milk Program	10.556	1616IN1304N1099	N/A	2,127	7/1/14-6/30/15	(168)	168	-	-	-	-	-	-
						(168)	168	-	-	-	-	-	-
Total U.S. Department of Agriculture-Child Nutrition Cluster						(9,956)	184,919	(180,588)	-	-	(9,460)	3,835	-
U.S. DEPARTMENT OF EDUCATION PASS -													
THROUGH STATE DEPARTMENT OF EDUCATION:													
Title I	84.010	S010A150030	NCLB308015	82,716	7/1/15-6/30/16	-	73,294	(82,716)	-	-	(9,422)	-	-
Subtotal	84.010	S010A150030	NCLB308014	78,579	7/1/14-6/30/15	(6,697)	6,697	-	-	-	-	-	-
						(6,697)	79,991	(82,716)	-	-	(9,422)	-	-
Title II Part A	84.367	S367A150029	NCLB308015	57,888	7/1/15-6/30/16	-	53,039	(57,888)	-	-	(4,849)	-	-
Title II Part A	84.367	S367A150029	NCLB308014	58,659	7/1/14-6/30/15	(2,473)	2,473	-	-	-	-	-	-
Subtotal						(2,473)	55,512	(57,888)	-	-	(4,849)	-	-
Title III	84.365A	S365A150009	NCLB308015	6,137	7/1/15-6/30/16	-	6,137	(6,137)	-	-	-	-	-
Special Education Cluster:													
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	FT-3080-15	616,596	7/1/15-6/30/16	-	559,795	(613,797)	-	-	(54,002)	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A140100	FT-3080-14	638,077	7/1/14-6/30/15	(41,689)	63,170	(21,481)	-	-	-	-	-
Subtotal						(41,689)	622,965	(635,278)	-	-	(54,002)	-	-
I.D.E.A. Preschool	84.173A	H173A150114	PS-3080-15	33,296	7/1/15-6/30/16	-	-	(23,463)	-	-	(23,463)	-	-
I.D.E.A. Preschool	84.173A	H173A150114	PS-3080-15	34,492	7/1/14-6/30/15	-	8,045	(9,833)	-	-	(1,788)	-	-
Subtotal						-	8,045	(33,296)	-	-	(25,251)	-	-
Total Special Education Cluster						(41,689)	631,010	(668,574)	-	-	(79,253)	-	-
Total U.S. Department of Education						(80,859)	772,650	(815,315)	-	-	(93,524)	-	-
Total						\$ (60,815)	\$ 957,569	\$ (995,903)	\$ -	\$ -	\$ (102,984)	\$ 3,835	\$ -

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES		BALANCE AT JUNE 30, 2016		MEMO CUMULATIVE TOTAL	
								BALANCES	RECEIVABLE	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	EXPENDITURES
State Aid Cluster:													
Categorical Special Education Aid	495-084-5120-089	\$ 1,680,355	7/1/15-6/30/16	\$ -	\$ 1,680,355	\$ (1,680,355)	\$ -	\$ -	\$ -	\$ -	\$ 144,846	\$ 1,680,355	1,680,355
Equitization Aid	495-084-5120-078	2,700,883	7/1/15-6/30/16	-	2,700,883	(2,700,883)	-	-	-	-	232,815	2,700,883	2,700,883
Security Aid	495-084-5120-084	78,003	7/1/15-6/30/16	-	78,003	(78,003)	-	-	-	-	6,724	78,003	78,003
Per Pupil Growth Aid	495-084-5120-097	26,465	7/1/15-6/30/16	-	26,465	(26,465)	-	-	-	-	2,281	26,465	26,465
PARCC Readiness Aid	495-084-5120-098	26,465	7/1/15-6/30/16	-	26,465	(26,465)	-	-	-	-	2,281	26,465	26,465
Total State Aid Cluster					4,512,171	(4,512,171)	-	-	-	-	388,947	4,512,171	4,512,171
Transportation Aid	495-084-5120-014	230,547	7/1/15-6/30/16	-	230,547	(230,547)	-	-	-	-	19,874	230,547	230,547
Extraordinary Aid	495-084-5120-044	286,081	7/1/15-6/30/16	-	-	(286,081)	-	-	(286,081)	-	-	286,081	286,081
Extraordinary Aid	495-084-5120-044	449,624	7/1/14-6/30/15	(347,140)	347,140	-	-	-	-	-	-	-	-
Nonpublic Transportation Aid	495-084-5120-014	22,333	7/1/15-6/30/16	-	-	(22,333)	-	-	(22,333)	-	-	22,333	22,333
Nonpublic Transportation Aid	495-084-5120-014	21,908	7/1/14-6/30/15	(21,908)	21,908	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-084-5094-003	1,394,219	7/1/15-6/30/16	-	1,325,763	(1,394,219)	-	-	(68,456)	-	-	1,394,219	1,394,219
Reimbursed TPAF Social Security Contributions	495-084-5094-003	1,387,063	7/1/14-6/30/15	(67,492)	67,492	-	-	-	-	-	-	-	-
Noncash Assistance: On Behalf TPAF Pension Contributions (Non-Budgeted)	100-084-5095-001	1,557,319	7/1/15-6/30/16	-	1,557,319	(1,557,319)	-	-	-	-	-	1,557,319	1,557,319
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-084-5095-001	1,854,337	7/1/15-6/30/16	-	1,854,337	(1,854,337)	-	-	-	-	-	1,854,337	1,854,337
Total General Fund Assistance				(436,540)	9,916,677	(9,857,007)	-	-	(376,870)	-	408,821	9,857,007	9,857,007
Special Revenue Fund:													
NJ Schools to Watch Grant Nonpublic Aid:	N/A	3,000	7/1/11-6/30/12	3,000	-	-	-	-	-	3,000	-	-	-
Textbooks	100-084-5120-064	21,013	7/1/15-6/30/16	-	21,013	(20,828)	-	-	-	-	-	20,828	20,828
Nursing	100-084-5120-070	33,120	7/1/15-6/30/16	-	33,120	(33,120)	-	-	-	185	-	33,120	33,120
Technology	100-084-5120-373	9,568	7/1/14-6/30/15	-	9,568	(9,568)	-	-	-	-	-	9,568	9,568
Home Instruction	100-084-5120-067	3,255	7/1/14-6/30/15	-	-	(3,255)	-	-	(3,255)	-	-	3,255	3,255
Transportation	100-084-5120-068	230,972	7/1/15-6/30/16	-	230,972	-	-	-	-	230,972	-	-	-
Supplemental Instruction	100-084-5120-066	13,441	7/1/15-6/30/16	-	13,441	(13,441)	-	-	-	-	-	13,441	13,441
Supplemental Instruction	100-084-5120-066	12,869	7/1/14-6/30/15	471	-	-	-	(471)	-	-	-	-	-
Compensatory Education	100-084-5120-067	41,624	7/1/15-6/30/16	-	41,624	(41,624)	-	-	-	-	-	41,624	41,624
Compensatory Education	100-084-5120-067	44,252	7/1/14-6/30/15	895	-	-	-	(895)	-	-	-	-	-
Security Aid	100-084-5120-067	9,200	7/1/15-6/30/16	-	9,200	(5,168)	-	-	-	4,032	-	5,168	5,168
E.S.L.	100-084-5120-067	690	7/1/15-6/30/16	-	690	(690)	-	-	-	-	-	690	690
Speech	100-084-5120-066	24,162	7/1/15-6/30/16	-	24,162	(24,088)	-	-	-	74	-	24,088	24,088
Speech	100-084-5120-066	27,919	7/1/14-6/30/15	5,125	-	-	-	(5,125)	-	-	-	-	-
Annual Examination	100-084-5120-066	4,782	7/1/15-6/30/16	-	4,782	(4,782)	-	-	-	-	-	4,782	4,782
Examination & Classification	100-084-5120-066	11,922	7/1/15-6/30/16	-	11,922	(8,346)	-	-	-	3,576	-	8,346	8,346
Examination & Classification	100-084-5120-066	13,873	7/1/14-6/30/15	5,054	-	-	-	(5,054)	-	-	-	-	-
Total Special Revenue Fund Assistance				14,545	400,494	(164,910)	-	(11,545)	(3,255)	3,000	238,839	-	164,910
Capital Projects Fund:													
Memorial Middle School Bridge Replace	3080-055-14-1009-G04	116,447	Completion	(114,985)	114,985	-	-	-	-	-	-	-	-
Memorial Middle School Fire Alarm	3080-055-14-1008-G04	245,913	Completion	(230,261)	230,261	-	-	-	-	-	-	-	-
Total Capital Projects Fund				(345,246)	345,246	-	-	-	-	-	-	-	-
Enterprise Fund:													
National School Lunch Program (State Share)	100-084-5120-122	7,137	7/1/15-6/30/16	-	6,599	(7,137)	-	-	(538)	-	-	-	7,137
National School Lunch Program (State Share)	100-084-5120-122	7,273	7/1/14-6/30/15	(778)	778	-	-	-	-	-	-	-	-
Total Enterprise Fund Assistance				(778)	7,377	(7,137)	-	-	(538)	-	-	-	7,137
Total State Financial Assistance				\$ (768,019)	\$ 10,669,794	\$ (10,029,054)	\$ -	\$ -	\$ (11,545)	\$ (380,663)	\$ 3,000	\$ 238,839	\$ 408,821
Less: Grants Not Subject to Major Program Determination:													
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-084-5095-001	1,557,319	7/1/15-6/30/16	-	-	1,557,319	-	-	-	-	-	-	-
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-084-5095-001	1,854,337	7/1/15-6/30/16	-	-	1,854,337	-	-	-	-	-	-	-
Total State Financial Assistance subject to New Jersey OMB Circular 04-04													\$ (6617,298)

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Medford Township Public School District. The School District is defined in Note 1 to the District'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 schedule of expenditures of federal awards and state financial assistance.

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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, the Medford Township Public School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

Medford Township Public School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

3. Relationship to Basic Financial Statements

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2016**

3. Relationship to Basic Financial Statements (continued):

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:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$8,817 for the general fund and \$(259) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

	State	Federal	Total
General Fund	\$ 9,865,824	\$ -	\$ 9,865,824
Special Revenue Fund	164,651	815,315	979,966
Food Service Fund	7,137	180,585	187,722
Total Financial Assistance	10,037,612	995,900	11,033,512

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represents 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 6. Federal and State Loans Outstanding

The Medford Township Public School District had no loan balances outstanding at June 30, 2016.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance?	No

Identification of major programs:

CFDA Number(s)	FAIN(s)	Name of Federal Program or Cluster
84.027	H027A150100	I.D.E.A., Part B, Basic Regular
84.173A	H173A150114	I.D.E.A., Preschool Program

Dollar threshold used to distinguish between type A and type B programs:[518]	\$750,000
Auditee qualified as low-risk auditee?	Yes

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & 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?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016
(continued)**

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

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

No Current Year Findings

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

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

No Prior Year Findings