

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF MONROE  
SCHOOL DISTRICT  
WILLIAMSTOWN, NEW JERSEY**



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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Table of Contents

|  | <u>Page</u> |
|--|-------------|
| <b>INTRODUCTORY SECTION</b>  |             |
| Letter of Transmittal  | 2           |
| Organizational Chart   | 6           |
| Roster of Officials  | 7           |
| Consultants and Advisors   | 8           |
| <b>FINANCIAL SECTION</b>   |             |
| <b>Independent Auditor's Report</b>  | <b>10</b>   |
| <b>Required Supplementary Information - Part I<br/>Management's Discussion and Analysis</b>  | <b>16</b>   |
| <b>Basic Financial Statements</b>  |             |
| A. Government-Wide Financial Statements:   |             |
| A-1 Statement of Net Position  | 25          |
| A-2 Statement of Activities  | 26          |
| B. Fund Financial Statements:  |             |
| Governmental Funds:  |             |
| B-1 Balance Sheet  | 28          |
| B-2 Statement of Revenues, Expenditures and Changes in Fund Balances   | 30          |
| B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities | 31          |
| Proprietary Funds:   |             |
| B-4 Statement of Net Position  | 32          |
| B-5 Statement of Revenues, Expenses and Changes in Fund Net Position   | 33          |
| B-6 Statement of Cash Flows  | 34          |
| Fiduciary Funds:   |             |
| B-7 Statement of Fiduciary Net Position  | 35          |
| B-8 Statement of Changes in Fiduciary Net Position   | 36          |
| <b>Notes to the Financial Statements</b>   | <b>37</b>   |
| <b>Required Supplementary Information - Part II</b>  |             |
| C. Budgetary Comparison Schedules  |             |
| C-1 Budgetary Comparison Schedule - General Fund   | 73          |
| C-1a Combining Schedule of Revenues, Expenditures and Changes<br>In Fund Balance - Budget and Actual   | N/A         |
| C-1b Community Development Block Grant - Budget and Actual   | N/A         |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund   | 86          |
| C-3 Budgetary Comparison Schedule - Note to RSI  | 88          |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Table of Contents (Cont'd)

|   | <b>Page</b> |
|---|-------------|
| <b>Required Supplementary Information - Part III</b>  |             |
| L. Schedules Related to Accounting and Reporting for Pensions                                 |             |
| L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS | 90          |
| L-2 Schedule of the School District's Contributions – PERS                                    | 91          |
| L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF | 92          |
| L-4 Schedule of the School District's Contributions – TPAF                                    | 93          |
| L-5 Schedule of Funding Progress for the OPEB Plan  | 94          |
| <b>Required Supplementary Information - Part IV</b>   |             |
| L-6 Schedule of Employer Contributions to the OPEB Plan                                       | 94          |
| L-7 Notes to the Required Supplementary Information   | 95          |
| <b>Other Supplementary Information</b>  |             |
| D. School Based Budget Schedules:   |             |
| D-1 Combining Balance Sheet   | N/A         |
| D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual      | N/A         |
| D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual              | N/A         |
| E. Special Revenue Fund:  |             |
| E-1 Combining Schedule(s) of Program Revenues and Expenditures - Budgetary Basis              | 98          |
| E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis                     | N/A         |
| F. Capital Projects Fund:   |             |
| F-1 Summary Statement of Project Expenditures   | 104         |
| F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances                  | 105         |
| F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status        | 106         |
| F-2b Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status        | 107         |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Table of Contents (Cont'd)

|   | <b>Page</b> |
|---|-------------|
| <b>Other Supplementary Information (Cont'd)</b>                                   |             |
| G. Proprietary Funds:   |             |
| Enterprise Fund:  |             |
| G-1 Combining Statement of Net Position   | 110         |
| G-2 Statement of Revenues, Expenses and<br>Changes in Fund Net Position           | 111         |
| G-3 Statement of Cash Flows   | 112         |
| Internal Service Fund:  |             |
| G-4 Combining Statement of Net Position   | N/A         |
| G-5 Combining Statement of Revenues, Expenses and<br>Changes in Fund Net Position | N/A         |
| G-6 Combining Statement of Cash Flows   | N/A         |
| H. Fiduciary Funds:   |             |
| H-1 Combining Statement of Fiduciary Net Position                                 | 114         |
| H-2 Combining Statement of Changes in Fiduciary Net Position                      | 115         |
| H-3 Student Activity Agency Fund Schedule of Receipts and<br>Disbursements        | 116         |
| H-4 Payroll Agency Fund Schedule of Receipts and<br>Disbursements                 | 117         |
| I. Long-Term Debt:  |             |
| I-1 Schedule of Serial Bonds and Loans Payable                                    | 119         |
| I-2 Schedule of Obligations under Capital Leases                                  | 121         |
| I-3 Debt Service Fund Budgetary Comparison Schedule                               | 122         |

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

|   |     |
|---|-----|
| J-1 Net Position by Component                     | 125 |
| J-2 Changes in Net Position                       | 126 |
| J-3 Fund Balances - Governmental Funds            | 129 |
| J-4 Changes in Fund Balances - Governmental Funds | 130 |
| J-5 General Fund Other Local Revenue by Source    | 131 |

**Revenue Capacity**

|   |     |
|---|-----|
| J-6 Assessed Value and Actual Value of Taxable Property | 133 |
| J-7 Direct and Overlapping Property Tax Rates           | 134 |
| J-8 Principal Property Taxpayers                        | 135 |
| J-9 Property Tax Levies and Collections                 | 136 |

**Debt Capacity**

|  |     |
|--|-----|
| J-10 Ratios of Outstanding Debt by Type                  | 138 |
| J-11 Ratios of General Bonded Debt Outstanding           | 139 |
| J-12 Direct and Overlapping Governmental Activities Debt | 140 |
| J-13 Legal Debt Margin Information                       | 141 |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Table of Contents (Cont'd)

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|  | <b>Page</b> |
|--|-------------|
| <b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>  |             |
| <b>Demographic and Economic Information</b>  |             |
| J-14 Demographic and Economic Statistics   | 143         |
| J-15 Principal Employers (Monroe Township)   | 144         |
| <b>Operating Information</b>   |             |
| J-16 Full-time Equivalent District Employees by Function/Program   | 146         |
| J-17 Operating Statistics  | 147         |
| J-18 School Building Information   | 148         |
| J-19 Schedule of Required Maintenance Expenditures by School Facility  | 149         |
| J-20 Insurance Schedule  | 150         |
| <b>SINGLE AUDIT SECTION</b>  |             |
| K-1 Report on Internal Control Over Financial Reporting and on Compliance<br>And Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with Government Auditing Standards | 13          |
| K-2 Report on Compliance for Each Major Program and Report on Internal Control<br>Over Compliance Required By the Uniform Guidance and State of<br>New Jersey Circular 15-08-OMB                       | 152         |
| K-3 Schedule of Expenditures of Federal Awards, Schedule A   | 154         |
| K-4 Schedule of Expenditures of State Financial Assistance, Schedule B   | 156         |
| K-5 Notes to the Schedules of Expenditures of Federal Awards and<br>State Financial Assistance   | 160         |
| K-6 Schedule of Findings and Questioned Costs  | 162         |
| K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as<br>Prepared by Management  | 167         |

## **INTRODUCTORY SECTION**



# Monroe Township Public Schools

MAPLE GROVE ADMINISTRATION BUILDING  
75 E. ACADEMY STREET  
WILLIAMSTOWN, NJ 08094  
(856) 629-6400 • Fax (856) 262-2499

CHARLES M. EARLING  
*Superintendent of Schools*  
ANTHONY T. PETRUZZELLI, Ed.D.  
*Assistant Superintendent/Elementary*  
LISA SCHULZ  
*Business Administrator/Board Secretary*  
RALPH E. ROSS, SR.  
*Human Resources*  
JOHN L. BERSH, Ed.D.  
*Supervisor of Special Services*

November 30, 2016

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

Dear Board Members:

The comprehensive annual financial report of the Township of Monroe 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 presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 District's Management's Discussion and Analysis, 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 Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on compliance and on internal control with applicable laws and regulations and findings and recommendations, over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Township of Monroe 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 Township of Monroe Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2015-16 fiscal year with an average daily enrollment of 6072.1 students, which is 37 students greater than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last thirteen years.

**1. REPORTING ENTITY AND ITS SERVICES (Cont'd.):**

**Average Daily Enrollment**

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2015-2016          | 6,072.1                   | 0.006%                |
| 2014-2015          | 6,035.1                   | 2.23%                 |
| 2013-2014          | 5,903.4                   | 1.67%                 |
| 2012-2013          | 6,003.8                   | -0.86%                |
| 2011-2012          | 6,055.8                   | -.02%                 |
| 2010-2011          | 6,056.8                   | 1.38%                 |
| 2009-2010          | 5,974.1                   | 1.55%                 |
| 2008-2009          | 5,883.1                   | -3.00%                |
| 2007-2008          | 6,065.0                   | .29%                  |
| 2006-2007          | 6,047.0                   | 4.73%                 |
| 2005-2006          | 5,774.0                   | 6.10%                 |
| 2004-2005          | 5,442.0                   | 2.22%                 |
| 2003-2004          | 5,324.0                   | 3.85%                 |
| 2002-2003          | 5,126.5                   | 4.45%                 |
| 2001-2002          | 4,902.2                   | .46%                  |
| 2000-2001          | 4,879.8                   | 2.39%                 |

**2. ECONOMIC CONDITION AND OUTLOOK:** The Monroe Township area is experiencing a period of moderate development and expansion which is expected to continue. The national economic conditions' slow growth results in little increase in the tax base, both residential and commercial. This condition is expected to continue which suggests that the Monroe Township area will continue to maintain the status quo.

**3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES:** Monroe Township Public School's total population scores, for the 2015-2016 school year on the following New Jersey assessments:

| <b>Grade/Subject</b>        | <b>Total % Met and Exceeded</b> |
|-----------------------------|---------------------------------|
| <b>3<sup>rd</sup> Grade</b> |                                 |
| ELA                         | 57                              |
| Math                        | 52                              |
| <b>4<sup>th</sup> Grade</b> |                                 |
| ELA                         | 54                              |
| Math                        | 40                              |
| Science (total prof)        | 92                              |
| <b>5<sup>th</sup> Grade</b> |                                 |
| ELA                         | 43                              |
| Math                        | 28                              |
| <b>6<sup>th</sup> Grade</b> |                                 |
| ELA                         | 38                              |
| Math                        | 34                              |
| <b>7<sup>th</sup> Grade</b> |                                 |
| ELA                         | 37                              |
| Math                        | 30                              |
| <b>8<sup>th</sup> Grade</b> |                                 |
| ELA                         | 48                              |
| Math                        | 31                              |



|                                  |    |
|----------------------------------|----|
| Science (total prof)             | 74 |
| <b>Algebra I</b>                 | 36 |
| <b>Geometry</b>                  | 19 |
| <b>Algebra II</b>                | 7  |
| <b>9<sup>th</sup> Grade ELA</b>  | 31 |
| <b>10<sup>th</sup> Grade ELA</b> | 22 |
| <b>11<sup>th</sup> Grade ELA</b> | 7  |
| <b>Biology (total prof)</b>      | 41 |

- √ **Provide Support Resources**
  - Online ASCD Best Practice Research Library
  - District support materials
  - LinkIt! Support
  - Teaching and Learning time devoted to each school
  - iObservation Resource Library
- √ **Continued District Professional Development Focus on:**
  - Continued Implementation of NJSLs
  - District teacher evaluation model (Marzano/iObservation)
  - Implementation and Training on LinkIt!
  - Rigorous and Quality Assessments
  - Ongoing Data Analysis
  - Differentiated Instruction
  - Ongoing Integration of Technology into Instruction
  - District-wide Articulation
  - Improving Student Achievement
- √ **NCLB Program Status**
  - Increased Parent Involvement
  - Focus on Student Achievement
  - Ongoing, Sustained Professional Development
  - Ongoing, Implementation of NJSLs

**4. INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (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 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 the portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates 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 included as re-appropriated are reported as reservations of fund balance at June 30, 2015.

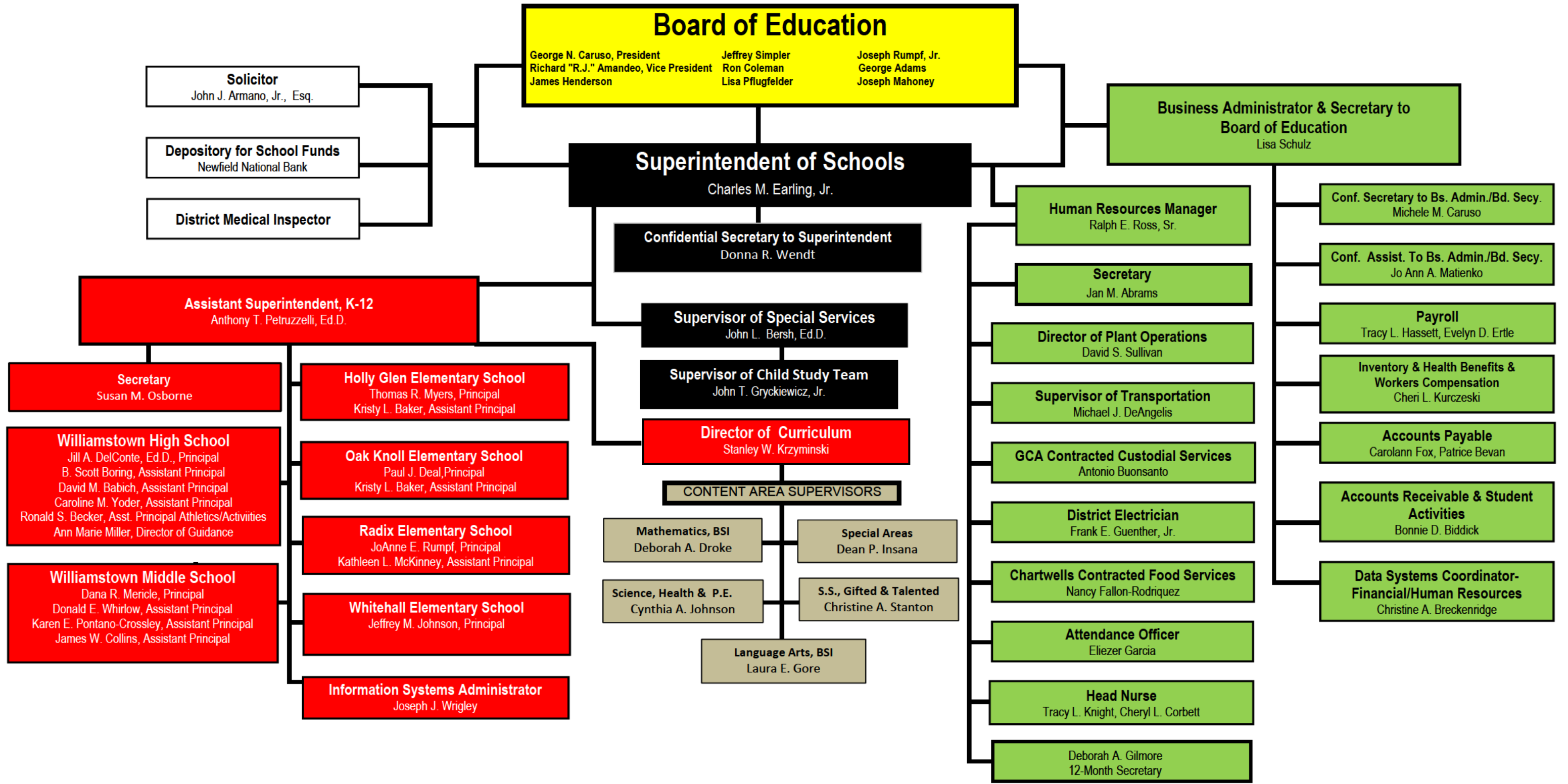
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **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 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **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.
9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP 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 Single Audit Act of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 04-04-OMB. The auditor's report on the general purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Township of Monroe Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

  
Charles M. Earling, Superintendent

  
Lisa Schulz/Board Secretary  
Business Administrator

# MONROE TOWNSHIP PUBLIC SCHOOLS Organization Table



**BOARD OF EDUCATION OF THE  
TOWNSHIP OF MONROE  
WILLIAMSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS  
June 30, 2016**

| <b><u>Members of the Board of Education</u></b> | <b><u>Term Expires</u></b> |
|---|----------------------------|
| George Caruso, President                        | 2016                       |
| Richard Amandeo, Vice President                 | 2016                       |
| Joseph Mahoney                                  | 2017                       |
| James Henderson                                 | 2018                       |
| George N. Adams                                 | 2018                       |
| Ron Coleman                                     | 2018                       |
| Lisa Pflugfelder                                | 2017                       |
| Joseph Rumpf, Jr.                               | 2016                       |
| Jeffrey Simpler                                 | 2017                       |

**Other Officials**

Charles E. Earling, Superintendent

Lisa Schulz, School Business  
Administrator/Board Secretary

Bonnie Biddick, Board Designee

John J. Armano Jr., Esq., Solicitor

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF MONROE**

**Consultants and Advisors**

**Audit Firm**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorney**

Mr. John J. Armano, Jr.  
Washington Professional Campus  
900 Route 168  
Suites B1 – B2  
Turnersville, NJ 08012

**Official Depository**

Newfield Bank  
18 West Boulevard  
Newfield, NJ 08344-9599

**Insurance Agent**

Hardenbergh Insurance Group  
PO Box 1000  
Main Street Plaza 1000, Suite 100  
Voorhees, NJ 08043

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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 Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

*Prior Period Restatement*

Because capital assets were incorrectly written off in a prior period, net position as of June 30, 2015 on the statement of activities and the statement of revenues, expenses and changes in fund net position of proprietary funds has been restated, as discussed in note 20 to the financial statements. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions, and schedule of funding progress for the OPEB plan, 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 Township of Monroe 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016 on our consideration of the Township of Monroe 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 the Township of Monroe School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
November 30, 2016

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 30, 2016. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the correction of an error.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Township of Monroe School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Monroe 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Monroe 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 Division of Administration and 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
November 30, 2016

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

## TOWNSHIP OF MONROE SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 (Unaudited)

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

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2016 are as follows:

- In total, net position increased \$1,169,308.78, a reduction in spending made by the district in the last few months in fiscal year.
- General revenues accounted for \$86,420,328.19 in revenue or 79% of all governmental activity revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$22,522,140.69 or 21% of total revenues for governmental activities of \$108,942,468.88.
- The School District had \$110,109,203.63 in total expenses; \$24,776,208.65 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$90,847,425.08 in revenues and \$89,442,962.73 in expenditures. The General Fund's balance increased \$1,086,454.29 over 2015 mainly due to an increase in local tax revenue.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

**Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

**Governmental Funds**

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

**THE SCHOOL DISTRICT AS A WHOLE**

The Statement of Net Position provides the perspective of the School District as a whole.

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

Table 1

|                                       | <b>2016</b>      | <b>2015<br/>(Restated)</b> |
|---------------------------------------|------------------|----------------------------|
| <b>Assets</b>                         |                  |                            |
| Current and Other Assets              | \$ 15,822,405.77 | \$ 14,214,793.51           |
| Capital Assets                        | 88,168,506.59    | 90,319,816.58              |
| Total Assets                          | 103,990,912.36   | 104,534,610.09             |
| <b>Deferred Outflows of Resources</b> |                  |                            |
| Related to Pensions                   | 3,031,764.00     | 1,190,260.00               |
| Deferred Loss on Defeasance           | 2,981,801.97     | 3,208,711.40               |
| Total Deferred Outflows of Resources  | 6,013,565.97     | 4,398,971.40               |
| <b>Liabilities</b>                    |                  |                            |
| Noncurrent Liabilities                | 78,445,022.98    | 78,491,624.77              |
| Other Liabilities                     | 3,225,380.92     | 2,833,819.07               |
| Total Liabilities                     | 81,670,403.90    | 81,325,443.84              |
| <b>Deferred Inflows of Resources</b>  |                  |                            |
| Related to Pensions                   | 345,612.00       | 788,984.00                 |
| <b>Net Position</b>                   |                  |                            |
| Net Investment in Capital Assets      | 37,575,939.06    | 36,745,255.80              |
| Restricted                            | 11,408,085.28    | 10,470,045.10              |
| Unrestricted                          | (20,995,561.91)  | (20,396,147.25)            |
| Total Net Position                    | \$ 27,988,462.43 | \$ 26,819,153.65           |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

**THE SCHOOL DISTRICT AS A WHOLE (CONT'D)**

Table 2 shows a summary of the School District's changes in net position for fiscal year 2016 and 2015.

Table 2

|   | <b>2016</b>              | <b>June 30, 2016</b>    |
|---|--------------------------|-------------------------|
| <b>Program Revenues:</b>                        |                          |                         |
| Charges for Services                            | \$ 319,192.56            | \$ 415,185.82           |
| Operating Grants and Contributions              | 22,007,381.60            | 7,854,733.94            |
| Capital Grants and Contributions                | 195,566.53               | 7,180.73                |
| <b>General Revenues:</b>                        |                          |                         |
| Property Taxes                                  | 50,593,181.00            | 47,828,523.50           |
| Federal and State Aid, Not Restricted           | 35,462,742.25            | 38,080,790.81           |
| Other   | 364,404.94               | 444,918.34              |
| Total Revenues                                  | <u>\$ 108,942,468.88</u> | <u>\$ 94,631,333.14</u> |
| <b>Program Expenses</b>                         |                          |                         |
| Governmental Activities:                        |                          |                         |
| Instruction                                     | \$ 36,370,058.35         | \$ 34,443,753.39        |
| Support Services:                               |                          |                         |
| Student Administrative Services                 | 14,080,080.78            | 14,775,296.06           |
| School Administrative Services                  | 3,847,739.27             | 3,285,697.25            |
| General and Business Administrative Services    | 3,237,534.39             | 3,015,318.35            |
| Plant Operation and Maintenance                 | 8,472,030.35             | 7,847,067.26            |
| Pupil Transportation                            | 7,093,823.69             | 6,005,775.95            |
| Unallocated Benefits                            | 32,440,763.88            | 18,794,650.25           |
| Transfer to Charter Schools                     | 66,029.00                | 44,825.00               |
| Unallocated Depreciation                        | 29,857.00                | 3,069,885.87            |
| Interest on Long-Term Debt                      | 2,147,416.10             | 1,906,673.51            |
| Bond Issue Costs                                | -                        | (224,687.80)            |
| Loss on Disposal of Fixed Assets                | 67,971.86                | 18,131.15               |
| Total Expenses, Governmental Activities         | <u>107,853,304.67</u>    | <u>92,982,386.24</u>    |
| Change in Governmental Activities Net Position  | <u>\$ 1,089,164.21</u>   | <u>\$ 1,648,946.90</u>  |
|   | <b>2016</b>              | <b>2015</b>             |
| Business-Type Activities Net Income:            |                          |                         |
| Food Service                                    | \$ 2,336,043.53          | \$ 2,249,835.42         |
| Business-Type Activities Expenses               | <u>(2,255,898.96)</u>    | <u>(2,054,740.38)</u>   |
| Change in Business-Type Activities Net Position | <u>\$ 80,144.57</u>      | <u>\$ 195,095.04</u>    |



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)**

This table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

|  | <u>June 30, 2016</u>    | <u>June 30, 2015</u>    | <u>Change</u>          | <u>% Change</u> |
|--|-------------------------|-------------------------|------------------------|-----------------|
| Deferred Outflows Related to Pensions      | \$ 3,031,764.00         | \$ 1,190,260.00         | \$ 1,841,504.00        | 100.00%         |
| Less: Net Pension Liability                | 16,085,534.00           | 13,239,186.00           | 2,846,348.00           | 21.50%          |
| Less: Deferred Inflows Related to Pensions | 345,612.00              | 788,984.00              | (443,372.00)           | -100.00%        |
|  | <u>\$ 19,462,910.00</u> | <u>\$ 15,218,430.00</u> | <u>\$ 4,244,480.00</u> | <u>-2.80%</u>   |

**Governmental Activities**

Municipal appropriations, state aid and federal aid made up 79% of revenues for governmental activities for the School District for fiscal year 2016.

Instruction comprises 34% of District governmental expenses. Support services expenses (excluding debt service costs) make up 64% of the governmental expenses. Debt service expenses are 2% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2016. That is, it identifies the cost of these services supported by general revenues.

Table 3

|  | <b>Total Cost of Services</b> | <b>Net Cost of Services</b> |
|--|-------------------------------|-----------------------------|
| Instruction                                  | \$ 36,370,058.35              | \$ 34,183,079.71            |
| Support Services:                            |                               |                             |
| Student and Instruction Related Services     | 14,080,080.78                 | 12,576,790.06               |
| School Administrative Services               | 3,847,739.27                  | 3,847,739.27                |
| General and Business Administrative Services | 3,237,534.39                  | 3,237,534.39                |
| Plant Operation and Maintenance              | 8,472,030.35                  | 8,472,030.35                |
| Pupil Transportation                         | 7,093,823.69                  | 7,093,823.69                |
| Unallocated Benefits                         | 32,440,763.88                 | 14,106,612.55               |
| Transfer to Charter Schools                  | 66,029.00                     | 66,029.00                   |
| Unallocated Depreciation                     | 29,857.00                     | 29,857.00                   |
| Interest on Long-Term Debt                   | 2,147,416.10                  | 1,649,696.10                |
| Loss on Disposal of Fixed Assets             | 67,971.86                     | 67,971.86                   |
| Total Expenses                               | <u>\$ 107,853,304.67</u>      | <u>\$ 85,331,163.98</u>     |

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student and instruction related services include the activities designed to assess and improve the wellbeing of students and to supplement the teaching process.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state, are the primary support for the Monroe Township School District.

**THE SCHOOL DISTRICT'S FUNDS**

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$98,929,065.88, expenditures of \$97,909,145.64 and net other financing sources of \$81,991.94.

**GENERAL FUND BUDGETING HIGHLIGHTS**

This fund is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

During the course of the 2016 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

- Staffing changes based on student needs
- Additional cost for Purchased Professional Educational Services
- Changes in appropriations to prevent budget overruns

For the General Fund, the original budget basis revenue estimate was \$82,422,004.00, which remained the same throughout the year.

During fiscal year 2016, the School District budgeted \$46,964,617.00 and \$34,726,913.00 for municipal tax levy and state aid revenues, respectively. The School District also budgeted \$146,757.00 for federal aid revenues. The School District also received \$2,511,561.33 in reimbursed TPAF Social Security aid, \$5,809,187.00 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$105,064.00 resulting in a favorable revenue variance for the fiscal year.

The original budget basis expenditure appropriation estimate was \$88,159,439.61, which remained the same throughout the year.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Unaudited-Cont'd)**

**CAPITAL ASSETS**

At the end of the fiscal year 2016, the School District had \$130,143,331.40 invested in land, buildings, furniture and equipment.

Table 4 shows a summary of the fiscal 2016 balances.

Table 4

|                            |                          |
|----------------------------|--------------------------|
| Land                       | \$ 2,264,917.00          |
| Construction in Progress   | 3,058,464.26             |
| Buildings and Improvements | 119,948,099.21           |
| Equipment                  | 4,871,850.93             |
| Totals                     | <u>\$ 130,143,331.40</u> |

Overall capital assets increased \$1,613,927.27 from fiscal year 2015 to fiscal year 2016 mainly due to the School District continuing construction in progress projects.

**DEBT ADMINISTRATION**

The School District receives state aid and municipal tax levy funds for the payment of debt.

**CURRENT FINANCIAL ISSUES AND CONCERNS**

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey and the numerous defeated budgets by the community, the District manages to provide an excellent educational opportunity for all School District students. The School District's management has worked diligently on trying to minimize the impact of increasing costs on the taxpayers. The 2011-2012 actual expenses were \$78,186,491.76, while the 2016-2017 budget contemplates spending \$90,528,169.00 an average increase of 2.97% per year. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid for the past few years.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Lisa Schulz Secretary to the Board of Education and School Business Administrator at: Monroe Township Board of Education, 75 East Academy Street, Williamstown, New Jersey 08094.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Statement of Net Position  
As of June 30, 2016

|  | Governmental<br>Activities | Business-Type<br>Activities | Total            |
|--|----------------------------|-----------------------------|------------------|
| <b>ASSETS:</b>                                 |                            |                             |                  |
| Cash and Cash Equivalents                      | \$ 10,835,561.76           | \$ 662,474.55               | \$ 11,498,036.31 |
| Receivables                                    | 2,165,043.23               | 197,220.87                  | 2,362,264.10     |
| Inventories                                    |                            | 27,880.28                   | 27,880.28        |
| Restricted Assets:                             |                            |                             |                  |
| Restricted Cash and Cash Equivalents           | 1,934,225.08               |                             | 1,934,225.08     |
| Capital Assets, net                            | 87,799,346.59              | 369,160.00                  | 88,168,506.59    |
| Total Assets                                   | 102,734,176.66             | 1,256,735.70                | 103,990,912.36   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>         |                            |                             |                  |
| Related to Pensions                            | 3,031,764.00               |                             | 3,031,764.00     |
| Deferred Loss on Defeasance                    | 2,981,801.97               |                             | 2,981,801.97     |
| Total Deferred Outflows Of Resources           | 6,013,565.97               | -                           | 6,013,565.97     |
| <b>LIABILITIES:</b>                            |                            |                             |                  |
| Accounts Payable and Other Current Liabilities | 1,846,846.48               | 137,076.47                  | 1,983,922.95     |
| Unearned Revenue                               | 477,314.31                 | 36,332.46                   | 513,646.77       |
| Accrued Interest Payable                       | 727,811.20                 |                             | 727,811.20       |
| Noncurrent Liabilities:                        |                            |                             |                  |
| Due within One Year                            | 3,242,001.75               |                             | 3,242,001.75     |
| Due Beyond One Year                            | 75,203,021.23              |                             | 75,203,021.23    |
| Total Liabilities                              | 81,496,994.97              | 173,408.93                  | 81,670,403.90    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>          |                            |                             |                  |
| Related to Pensions                            | 345,612.00                 | -                           | 345,612.00       |
| <b>NET POSITION:</b>                           |                            |                             |                  |
| Net Investment in Capital Assets               | 37,206,779.06              | 369,160.00                  | 37,575,939.06    |
| Restricted for:                                |                            |                             |                  |
| Capital Reserve Account                        | 1,752,950.00               |                             | 1,752,950.00     |
| Excess Surplus                                 | 8,715,240.95               |                             | 8,715,240.95     |
| Capital Projects                               | 468,259.50                 |                             | 468,259.50       |
| Special Revenue                                | 465,177.34                 |                             | 465,177.34       |
| Debt Service                                   | 6,457.49                   |                             | 6,457.49         |
| Unrestricted (Deficit)                         | (21,709,728.68)            | 714,166.77                  | (20,995,561.91)  |
| Total Net Position                             | \$ 26,905,135.66           | \$ 1,083,326.77             | \$ 27,988,462.43 |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016

| Functions / Programs                         | Expenses          | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                    |
|--|-------------------|-------------------------|--|--|--|-----------------------------|--------------------|
|  |                   | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total              |
| <b>GOVERNMENTAL ACTIVITIES:</b>              |                   |                         |  |  |  |                             |                    |
| Instruction:                                 |                   |                         |  |  |  |                             |                    |
| Regular                                      | \$ 25,367,796.18  | \$ 319,192.56           | \$ 1,867,786.08                          |  | \$ (23,180,817.54)                                   |                             | \$ (23,180,817.54) |
| Special Education                            | 8,191,887.28      |                         |  |  | (8,191,887.28)                                       |                             | (8,191,887.28)     |
| Other Special Instruction                    | 1,581,891.66      |                         |  |  | (1,581,891.66)                                       |                             | (1,581,891.66)     |
| Other Instruction                            | 1,228,483.23      |                         |  |  | (1,228,483.23)                                       |                             | (1,228,483.23)     |
| Support Services:                            |                   |                         |  |  |  |                             |                    |
| Student and Instruction Related Services     | 14,080,080.78     |                         | 1,307,724.19                             | \$ 195,566.53                          | (12,576,790.06)                                      |                             | (12,576,790.06)    |
| School Administrative Services               | 3,847,739.27      |                         |  |  | (3,847,739.27)                                       |                             | (3,847,739.27)     |
| General and Business Administrative Services | 3,237,534.39      |                         |  |  | (3,237,534.39)                                       |                             | (3,237,534.39)     |
| Plant Operations and Maintenance             | 8,472,030.35      |                         |  |  | (8,472,030.35)                                       |                             | (8,472,030.35)     |
| Pupil Transportation                         | 7,093,823.69      |                         |  |  | (7,093,823.69)                                       |                             | (7,093,823.69)     |
| Unallocated Benefits                         | 32,440,763.88     |                         | 18,334,151.33                            |  | (14,106,612.55)                                      |                             | (14,106,612.55)    |
| Transfer to Charter Schools                  | 66,029.00         |                         |  |  | (66,029.00)  |                             | (66,029.00)        |
| Unallocated Depreciation                     | 29,857.00         |                         |  |  | (29,857.00)  |                             | (29,857.00)        |
| Interest Expense                             | 2,147,416.10      |                         | 497,720.00                               |  | (1,649,696.10)                                       |                             | (1,649,696.10)     |
| Total Governmental Activities                | 107,785,332.81    | 319,192.56              | 22,007,381.60                            | 195,566.53                             | (85,263,192.12)                                      | \$ -                        | (85,263,192.12)    |
| <b>BUSINESS-TYPE ACTIVITIES:</b>             |                   |                         |  |  |  |                             |                    |
| Food Service                                 | 2,254,067.96      | 1,153,904.83            | 1,182,138.70                             |  |  | 81,975.57                   | 81,975.57          |
| Total Business-Type Activities               | 2,254,067.96      | 1,153,904.83            | 1,182,138.70                             | -                                      | -  | 81,975.57                   | 81,975.57          |
| Total Government                             | \$ 110,039,400.77 | \$ 1,473,097.39         | \$ 23,189,520.30                         | \$ 195,566.53                          | \$ (85,263,192.12)                                   | \$ 81,975.57                | \$ (85,181,216.55) |
| <b>GENERAL REVENUES (EXPENSES):</b>          |                   |                         |  |  |  |                             |                    |
| Property Tax Levy                            |                   |                         |  |  | \$ 50,593,181.00                                     |                             | \$ 50,593,181.00   |
| Federal and State Aid                        |                   |                         |  |  | 35,462,742.25  |                             | 35,462,742.25      |
| Investment Earnings                          |                   |                         |  |  | 89,998.11  |                             | 89,998.11          |
| Miscellaneous Income                         |                   |                         |  |  | 274,406.83   |                             | 274,406.83         |
| Loss on Disposal of Capital Assets           |                   |                         |  |  | (67,971.86)  | \$ (1,831.00)               | (69,802.86)        |
| Total General Revenues (Expenses)            |                   |                         |  |  | 86,352,356.33  | (1,831.00)                  | 86,350,525.33      |
| Change in Net Position                       |                   |                         |  |  | 1,089,164.21   | 80,144.57                   | 1,169,308.78       |
| Net Position -- July 1 (Restated - Note 20)  |                   |                         |  |  | 25,815,971.45  | 1,003,182.20                | 26,819,153.65      |
| Net Position - Ending                        |                   |                         |  |  | \$ 26,905,135.66                                     | \$ 1,083,326.77             | \$ 27,988,462.43   |

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

**FUND FINANCIAL STATEMENTS**



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
 Balance Sheet  
 As of June 30, 2016

|  | General<br>Fund         | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--|-------------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>ASSETS:</b>                             |                         |                            |                             |                         |                                |
| Cash and Cash Equivalents                  | \$ 12,588,511.76        |                            | \$ 174,817.59               | \$ 6,457.49             | \$ 12,769,786.84               |
| Due from Other Funds                       | 381,379.79              |                            |                             |                         | 381,379.79                     |
| Intergovernmental Accounts Receivable:     |                         |                            |                             |                         |                                |
| State                                      | 527,949.69              | \$ 24,286.91               | 297,417.91                  |                         | 849,654.51                     |
| Federal                                    | 49,463.39               | 898,664.00                 |                             |                         | 948,127.39                     |
| Other                                      | 91,929.32               |                            |                             |                         | 91,929.32                      |
| <b>Total Assets</b>                        | <b>\$ 13,639,233.95</b> | <b>\$ 922,950.91</b>       | <b>\$ 472,235.50</b>        | <b>\$ 6,457.49</b>      | <b>\$ 15,040,877.85</b>        |
| <b>LIABILITIES AND FUND BALANCES:</b>      |                         |                            |                             |                         |                                |
| Liabilities:                               |                         |                            |                             |                         |                                |
| Accounts Payable                           | \$ 854,385.62           | \$ 346,906.86              | \$ 3,976.00                 |                         | \$ 1,205,268.48                |
| Interfunds Payable                         |                         | 106,047.78                 |                             |                         | 106,047.78                     |
| Unearned Revenue                           | 472,495.38              | 4,818.93                   |                             |                         | 477,314.31                     |
| <b>Total Liabilities</b>                   | <b>1,326,881.00</b>     | <b>457,773.57</b>          | <b>3,976.00</b>             | <b>\$ -</b>             | <b>1,788,630.57</b>            |
| Fund Balances:                             |                         |                            |                             |                         |                                |
| Restricted:                                |                         |                            |                             |                         |                                |
| Capital Reserve Account                    | 1,752,950.00            |                            |                             |                         | 1,752,950.00                   |
| Excess Surplus                             | 8,715,240.95            |                            |                             |                         | 8,715,240.95                   |
| Capital Projects                           |                         |                            | 468,259.50                  |                         | 468,259.50                     |
| Special Revenue                            |                         | 465,177.34                 |                             |                         | 465,177.34                     |
| Debt Service                               |                         |                            |                             | 6,457.49                | 6,457.49                       |
| Assigned:                                  |                         |                            |                             |                         |                                |
| Other Purposes                             | 118,103.77              |                            |                             |                         | 118,103.77                     |
| Subsequent Year's Expenditure              | 97,253.78               |                            |                             |                         | 97,253.78                      |
| Unassigned                                 | 1,628,804.45            |                            |                             |                         | 1,628,804.45                   |
| <b>Total Fund Balances</b>                 | <b>12,312,352.95</b>    | <b>465,177.34</b>          | <b>468,259.50</b>           | <b>6,457.49</b>         | <b>13,252,247.28</b>           |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 13,639,233.95</b> | <b>\$ 922,950.91</b>       | <b>\$ 472,235.50</b>        | <b>\$ 6,457.49</b>      |                                |

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets are \$130,143,331.40 and the accumulated depreciation is \$42,343,984.80. 87,799,346.59

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds. 2,981,801.97

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds. (727,811.20)

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
 Balance Sheet  
 As of June 30, 2016

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because (Cont'd):

|   |                             |
|---|-----------------------------|
| Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds. | \$ (4,405,000.00)           |
| Long-term liabilities, including compensated absences and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds.      | (57,954,488.98)             |
| Net Pension Liability   | (16,085,534.00)             |
| Accounts Payable related to the April 1, 2017 required PERS pension contribution that is not to be liquidated with current financial resources.   | (641,578.00)                |
| Deferred Outflows of Resources - Related to Pensions  | 3,031,764.00                |
| Deferred Inflows of Resources - Related to Pensions   | <u>(345,612.00)</u>         |
| Net Position of governmental activities   | <u><u>26,905,135.66</u></u> |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2016

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| <b>REVENUES:</b>                                     |                         |                                     |                                      |                                  |   |
| Local Tax Levy                                       | \$ 46,964,617.00        |                                     |                                      | \$ 3,628,564.00                  | \$ 50,593,181.00                        |
| Miscellaneous Revenue                                | 590,708.00              | \$ 92,889.50                        |                                      |                                  | 683,597.50                              |
| State Sources  | 43,139,209.33           | 461,409.00                          | \$ 191,616.53                        | 1,082,000.00                     | 44,874,234.86                           |
| Federal Sources                                      | 152,890.75              | 2,625,161.77                        |                                      |                                  | 2,778,052.52                            |
| <b>Total Revenues</b>                                | <b>90,847,425.08</b>    | <b>3,179,460.27</b>                 | <b>191,616.53</b>                    | <b>4,710,564.00</b>              | <b>98,929,065.88</b>                    |
| <b>EXPENDITURES:</b>                                 |                         |                                     |                                      |                                  |   |
| Current:   |                         |                                     |                                      |                                  |   |
| Regular Instruction                                  | 22,465,979.05           | 1,843,882.99                        |                                      |                                  | 24,309,862.04                           |
| Special Education Instruction                        | 7,857,929.48            |                                     |                                      |                                  | 7,857,929.48                            |
| Other Special Instruction                            | 1,517,402.85            |                                     |                                      |                                  | 1,517,402.85                            |
| Other Instruction                                    | 1,164,584.99            |                                     |                                      |                                  | 1,164,584.99                            |
| Support Services and Undistributed Costs:            |                         |                                     |                                      |                                  |   |
| Student and Instruction Related Services             | 12,192,965.50           | 1,307,724.19                        |                                      |                                  | 13,500,689.69                           |
| School Administrative Services                       | 3,685,863.06            |                                     |                                      |                                  | 3,685,863.06                            |
| Other Administrative Services                        | 2,984,351.06            |                                     |                                      |                                  | 2,984,351.06                            |
| Plant Operations and Maintenance                     | 8,075,542.53            |                                     |                                      |                                  | 8,075,542.53                            |
| Pupil Transportation                                 | 7,093,823.69            |                                     |                                      |                                  | 7,093,823.69                            |
| Unallocated Benefits                                 | 21,746,432.15           |                                     |                                      |                                  | 21,746,432.15                           |
| Transfer Funds to Charter Schools                    | 66,029.00               |                                     |                                      |                                  | 66,029.00                               |
| Debt Service:  |                         |                                     |                                      |                                  |   |
| Principal  |                         |                                     |                                      | 2,500,000.00                     | 2,500,000.00                            |
| Interest and Other Charges                           |                         |                                     |                                      | 2,210,564.76                     | 2,210,564.76                            |
| Capital Outlay                                       | 592,059.37              | 3,950.00                            | 600,060.97                           |                                  | 1,196,070.34                            |
| <b>Total Expenditures</b>                            | <b>89,442,962.73</b>    | <b>3,155,557.18</b>                 | <b>600,060.97</b>                    | <b>4,710,564.76</b>              | <b>97,909,145.64</b>                    |
| Excess (Deficiency) of Revenues<br>over Expenditures | 1,404,462.35            | 23,903.09                           | (408,444.44)                         | (0.76)                           | 1,019,920.24                            |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                         |                                     |                                      |                                  |   |
| Capital Leases                                       | 81,991.94               |                                     |                                      |                                  | 81,991.94                               |
| Operating Transfers:                                 |                         |                                     |                                      |                                  |   |
| Transfers (to) from other Governmental Funds         | (400,000.00)            |                                     | 400,000.00                           |                                  |   |
| <b>Total Other Financing Sources and Uses</b>        | <b>(318,008.06)</b>     | <b>-</b>                            | <b>400,000.00</b>                    | <b>-</b>                         | <b>81,991.94</b>                        |
| <b>Net Change in Fund Balances</b>                   | <b>1,086,454.29</b>     | <b>23,903.09</b>                    | <b>(8,444.44)</b>                    | <b>(0.76)</b>                    | <b>1,101,912.18</b>                     |
| Fund Balance -- July 1                               | 11,225,898.66           | 441,274.25                          | 476,703.94                           | 6,458.25                         | 12,150,335.10                           |
| <b>Fund Balance -- June 30</b>                       | <b>\$ 12,312,352.95</b> | <b>\$ 465,177.34</b>                | <b>\$ 468,259.50</b>                 | <b>\$ 6,457.49</b>               | <b>\$ 13,252,247.28</b>                 |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2016

|   |                        |
|---|------------------------|
| Total Net Change in Fund Balances - Governmental Funds  | \$ 1,101,912.18        |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because:  |                        |
| <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which actual capital outlays exceeded depreciation in the period.</p>  |                        |
| Depreciation Expense  | \$ (3,297,153.47)      |
| New Capital Leases  | (81,991.94)            |
| Capital Outlay  | <u>1,196,070.34</u>    |
|   | (2,183,075.07)         |
| Repayment of capital leases 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.   | 497,609.92             |
| In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the School District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.   | (196,000.00)           |
| The loss on disposal of capital assets is reported as an expense in the statement of activities, but is not reported as an expenditure in the governmental funds.   | (67,971.86)            |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 2,577,164.27           |
| In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.   | 77,259.66              |
| Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.  | (586,993.00)           |
| In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.   | <u>(130,741.89)</u>    |
| Change in Net Position of Governmental Activities   | <u>\$ 1,089,164.21</u> |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**Statement of Net Position**  
**As of June 30, 2016**

Business Type Activities - Enterprise Funds

|  | <u>Food<br/>Service</u>       |
|--|-------------------------------|
| <b>ASSETS:</b>                                   |                               |
| Current Assets:                                  |                               |
| Cash and Cash Equivalents                        | \$ 662,474.55                 |
| Intergovernmental Accounts Receivable:           |                               |
| State  | 3,180.81                      |
| Federal  | 155,716.85                    |
| Other Accounts Receivable                        | 38,323.21                     |
| Inventories                                      | <u>27,880.28</u>              |
| Total Current Assets                             | <u>887,575.70</u>             |
| Capital Assets (Net of Accumulated Depreciation) | <u>369,160.00</u>             |
| Total Assets                                     | <u>1,256,735.70</u>           |
| <b>LIABILITIES:</b>                              |                               |
| Current Liabilities:                             |                               |
| Accounts Payable                                 | 137,076.47                    |
| Unearned Revenue                                 | <u>36,332.46</u>              |
| Total Liabilities                                | <u>173,408.93</u>             |
| <b>NET POSITION:</b>                             |                               |
| Net Investment in Capital Assets                 | 369,160.00                    |
| Unrestricted                                     | <u>714,166.77</u>             |
| Total Net Position                               | <u><u>\$ 1,083,326.77</u></u> |

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

**TOWNSHIP OF MONROE 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

|  | <u>Food<br/>Service</u> |
|--|-------------------------|
| <b>OPERATING REVENUES:</b>                     |                         |
| Charges for Services:                          |                         |
| Daily Sales - Reimbursable Programs            | \$ 642,190.24           |
| Daily Sales - Non- Reimbursable Programs       | 511,714.59              |
|  | 1,153,904.83            |
| Total Operating Revenues                       | 1,153,904.83            |
| <b>OPERATING EXPENSES:</b>                     |                         |
| Salaries                                       | 893,450.25              |
| General Supplies                               | 158,167.83              |
| Management Fees                                | 134,665.46              |
| Cost of Sales - Reimbursable Programs          | 840,495.42              |
| Cost of Sales - Non- Reimbursable Programs     | 189,334.00              |
| Depreciation                                   | 37,955.00               |
|  | 2,254,067.96            |
| Total Operating Expenses                       | 2,254,067.96            |
| Operating Loss                                 | (1,100,163.13)          |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>      |                         |
| Loss on Disposal of Capital Assets             | (1,831.00)              |
| State Sources:                                 |                         |
| State School Lunch Program                     | 20,926.66               |
| Federal Sources:                               |                         |
| National School Lunch Program                  | 779,618.44              |
| National School Breakfast Program              | 205,625.55              |
| National School Milk Program                   | 5,049.92                |
| Food Distribution Program                      | 170,918.13              |
|  | 1,180,307.70            |
| Total Non-operating Revenue (Expenses)         | 1,180,307.70            |
| Change in Net Position                         | 80,144.57               |
| Net Position - Beginning, as originally stated | 901,184.20              |
| Restatement (See Note 20)                      | 101,998.00              |
|  | 1,003,182.20            |
| Net Position - Beginning, as restated          | 1,003,182.20            |
| Net Position - Ending                          | \$ 1,083,326.77         |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

Business Type Activities - Enterprise Funds

Food  
Service

**CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:**

|                                       |                       |
|---------------------------------------|-----------------------|
| Receipts from Customers               | \$ 1,163,287.03       |
| Payments to Employees                 | (893,450.25)          |
| Payments to Suppliers                 | <u>(1,289,847.28)</u> |
| Net Cash Used In Operating Activities | <u>(1,020,010.50)</u> |

**CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES :**

|                      |                    |
|----------------------|--------------------|
| Capital Acquisitions | <u>(57,531.00)</u> |
|----------------------|--------------------|

**CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:**

|  |                      |
|--|----------------------|
| State Sources  | 21,703.85            |
| Federal Sources                                      | <u>1,167,043.64</u>  |
| Net Cash Provided by Noncapital Financing Activities | <u>1,188,747.49</u>  |
| Net Increase in Cash and Cash Equivalents            | 111,205.99           |
| Cash and Cash Equivalents -- July 1                  | <u>551,268.56</u>    |
| Cash and Equivalents -- June 30                      | <u>\$ 662,474.55</u> |

Reconciliation of Operating Loss to Net Cash

Used by Operating Activities:

|  |                   |
|--|-------------------|
| Operating Loss   | \$ (1,100,163.13) |
| Adjustments to Reconcile Operating Loss to<br>Cash Used in Operating Activities: |                   |
| Depreciation   | 37,955.00         |
| Change in Assets and Liabilities:  |                   |
| (Increase) Decrease in Accounts Receivable                                       | 18,296.62         |
| (Increase) Decrease in Inventory   | 3,280.44          |
| Increase (Decrease) in Unearned Revenue  | (8,914.42)        |
| Increase (Decrease) in Accounts Payable  | <u>29,534.99</u>  |

|  |                          |
|--|--------------------------|
| Net Cash Used for Operating Activities | <u>\$ (1,020,010.50)</u> |
|--|--------------------------|

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Fiduciary Net Position  
As of June 30, 2016

|  | Private-Purpose<br>Trust Funds        |                     | Agency Funds         |                      |
|--|---------------------------------------|---------------------|----------------------|----------------------|
|  | Unemployment<br>Compensation<br>Trust | Scholarship         | Student<br>Activity  | Payroll              |
| <b>ASSETS:</b>                         |                                       |                     |                      |                      |
| Cash and Cash Equivalents              | \$ 275,590.29                         | \$128,970.65        | \$445,560.25         | \$590,176.17         |
| Due from State                         |                                       |                     |                      | 83,646.69            |
| Due from Other Funds                   |                                       | 13,442.11           |                      |                      |
| Total Assets                           | <u>275,590.29</u>                     | <u>142,412.76</u>   | <u>\$ 445,560.25</u> | <u>\$ 673,822.86</u> |
| <b>LIABILITIES:</b>                    |                                       |                     |                      |                      |
| Due to Other Funds                     |                                       |                     | \$ 18,353.72         | \$270,420.40         |
| Payable to State                       | 1,352.42                              |                     |                      |                      |
| Payroll Deductions and Withholdings    |                                       |                     |                      | 403,402.46           |
| Payable to Student Groups              |                                       |                     | 427,206.53           |                      |
| Total Liabilities                      | <u>1,352.42</u>                       | <u>-</u>            | <u>\$ 445,560.25</u> | <u>\$ 673,822.86</u> |
| <b>Net Position:</b>                   |                                       |                     |                      |                      |
| Restricted for:                        |                                       |                     |                      |                      |
| Scholarships                           |                                       | 142,412.76          |                      |                      |
| Unemployment Claims and Other Purposes | 274,237.87                            |                     |                      |                      |
| Total Net Position                     | <u>\$ 274,237.87</u>                  | <u>\$142,412.76</u> |                      |                      |

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



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2016

|                                     | Private-Purpose Trust Funds |  |
|-------------------------------------|-----------------------------|--|
|                                     | <u>Scholarship</u>          | <u>Unemployment<br/>Compensation<br/>Insurance</u> |
| <b>ADDITIONS:</b>                   |                             |  |
| Local Sources:                      |                             |  |
| Interest on Investments             | \$ 705.27                   | \$ 1,195.51  |
| Donations                           | 43,069.00                   |  |
| Deductions from Employees' Salaries |                             | 70,600.90  |
| Total Additions                     | <u>43,774.27</u>            | <u>71,796.41</u>                                   |
| <b>DEDUCTIONS:</b>                  |                             |  |
| Scholarship Payments                | 37,125.00                   |  |
| Unemployment Compensation Claims    |                             | 62,473.56  |
| Total Deductions                    | <u>37,125.00</u>            | <u>62,473.56</u>                                   |
| Change in Net Position              | <u>6,649.27</u>             | <u>9,322.85</u>                                    |
| Net Position, July 1                | <u>135,763.49</u>           | <u>264,915.02</u>                                  |
| Net Position, June 30               | <u>\$ 142,412.76</u>        | <u>\$ 274,237.87</u>                               |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Monroe School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2016 of 6,067.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units**

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

**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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District reports the following major proprietary fund:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

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

The School District maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

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

**Scholarship Fund** - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

**New Jersey Unemployment Compensation Insurance Trust Fund** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on Exhibit C-1, 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 accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances (Cont'd)**

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

**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

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

**Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Description</u>         | <u>Governmental<br/>Activities<br/>Estimated Lives</u> | <u>Business-Type<br/>Activities<br/>Estimated Lives</u> |
|----------------------------|--|---|
| Buildings and Improvements | 10-50 Years  | N/A   |
| Equipment                  | 5-20 Years   | 12 Years  |

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

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

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

**Deferred Loss on Defeasance** - The loss on defeasance arising from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.



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

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2016, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**Accrued Liabilities and Long-Term Obligations**

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

**Pensions**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School 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.

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

**Fund Balance**

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

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

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

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, 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) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance (Cont'd)**

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

**Interfund Activity**

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

**Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

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

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

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

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balances of \$15,647,933.28 were exposed to custodial credit risk as follows:

|                                |                         |
|--------------------------------|-------------------------|
| Insured by FDIC                | \$ 252,117.84           |
| Insured by GUDPA               | 14,165,545.11           |
| Uninsured and uncollateralized | <u>1,230,270.33</u>     |
|                                | <u>\$ 15,647,933.28</u> |

**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2016, the School District's deposits with the New Jersey Cash Management Fund were \$827,267.97.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

|   |                               |
|---|-------------------------------|
| Beginning Balance July 1, 2015                              | \$ 1,250,550.00               |
| Increased by:   |                               |
| Deposits:   |                               |
| Transferred from Unexpended Budget (Approved June 02, 2016) | <u>902,400.00</u>             |
|   | <u>2,152,950.00</u>           |
| Decreased by:   |                               |
| Transfer to Capital Projects                                | <u>400,000.00</u>             |
| Ending Balance June 30, 2016                                | <u><u>\$ 1,752,950.00</u></u> |

There were no interest earnings applicable to the Capital Reserve Account for the year ended June 30, 2016.

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$2,700,000.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

**Note 4: ACCOUNTS RECEIVABLE (CONT'D)**

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

| <b>Receivables:</b>      | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Proprietary<br/>Fund</b> | <b>Total</b>           |
|--------------------------|-------------------------|-------------------------------------|--------------------------------------|-----------------------------|------------------------|
| Intergovernmental:       |                         |                                     |                                      |                             |                        |
| Federal                  | \$ 49,463.39            | \$ 898,664.00                       |                                      | \$ 155,716.85               | \$ 1,103,844.24        |
| State                    | 527,949.69              | 24,286.91                           | \$ 297,417.91                        | 3,180.81                    | 852,835.32             |
| Local Tuition            | 91,929.32               |                                     |                                      |                             | 91,929.32              |
| Due from Fiduciary Funds | 275,332.01              |                                     |                                      |                             | 275,332.01             |
| Food Service             |                         |                                     |                                      | 38,323.21                   | 38,323.21              |
|                          | <hr/>                   |                                     |                                      |                             |                        |
| Total                    | <u>\$ 944,674.41</u>    | <u>\$ 922,950.91</u>                | <u>\$ 297,417.91</u>                 | <u>\$ 197,220.87</u>        | <u>\$ 2,362,264.10</u> |

**Note 5: INVENTORY**

There was no inventory in the General Fund at June 30, 2016.

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

|                   |                     |
|-------------------|---------------------|
| Food and Supplies | <u>\$ 27,880.28</u> |
|-------------------|---------------------|

**Note 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

|   | <b>(Restated)<br/>Balance<br/>July 1, 2015</b> | <b>Additions</b>  | <b>Transfers</b> | <b>Deletions</b> | <b>Balance<br/>June 30, 2016</b> |
|---|--|-------------------|------------------|------------------|----------------------------------|
| <b>Governmental Activities:</b>                 |  |                   |                  |                  |                                  |
| Land  | \$ 2,264,917.00                                |                   |                  |                  | \$ 2,264,917.00                  |
| Construction in Progress                        | 2,329,017.33                                   | \$ 852,463.40     | \$(123,016.47)   |                  | 3,058,464.26                     |
| Total Capital Assets not<br>being Depreciated   | 4,593,934.33                                   | 852,463.40        | (123,016.47)     | \$ -             | 5,323,381.26                     |
| Building and Improvements                       | 119,948,099.21                                 |                   |                  |                  | 119,948,099.21                   |
| Equipment                                       | 4,716,817.52                                   | 343,606.94        | 123,016.47       | 311,590.00       | 4,871,850.93                     |
| Total Capital Assets<br>being Depreciated       | 124,664,916.73                                 | 343,606.94        | 123,016.47       | 311,590.00       | 124,819,950.14                   |
| Total Assets                                    | 129,258,851.06                                 | 1,196,070.34      | -                | 311,590.00       | 130,143,331.40                   |
| Less Accumulated Depreciation:                  |  |                   |                  |                  |                                  |
| Building and Improvements                       | 36,525,764.66                                  | 3,037,634.89      |                  |                  | 39,563,399.55                    |
| Equipment                                       | 2,764,684.82                                   | 259,518.58        |                  | 243,618.14       | 2,780,585.26                     |
| Total Accumulated Depreciation                  | 39,290,449.48                                  | 3,297,153.47      | -                | 243,618.14       | 42,343,984.81                    |
| Governmental Activities<br>Capital Assets, Net  | \$ 89,968,401.58                               | \$ (2,101,083.13) | \$ -             | \$ 67,971.86     | \$ 87,799,346.59                 |
| <b>Business-Type Activities:</b>                |  |                   |                  |                  |                                  |
| Equipment                                       | \$ 712,255.00                                  | \$ 57,531.00      |                  | \$ 15,640.00     | \$ 754,146.00                    |
| Less Accumulated Depreciation:                  | 360,840.00                                     | 37,955.00         |                  | 13,809.00        | 384,986.00                       |
| Business-Type Activities Capital<br>Assets, Net | \$ 351,415.00                                  | \$ 19,576.00      | \$ -             | \$ 1,831.00      | \$ 369,160.00                    |



**Note 6: CAPITAL ASSETS (CONT'D)**

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

|  |                                   |
|--|-----------------------------------|
| Instruction                                  | \$ 1,646,480.73                   |
| Other Instruction                            | 70,470.49                         |
| Support Services                             | 655,581.27                        |
| School Administration                        | 182,677.11                        |
| General and Business Administrative Services | 270,025.30                        |
| Plant Operations and Maintenance             | 442,061.57                        |
| Unallocated                                  | <u>29,857.00</u>                  |
| <br>Total Depreciation Expense               | <br><u><u>\$ 3,297,153.47</u></u> |

**Note 7: LONG-TERM LIABILITIES**

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

| <b>Governmental Activities:</b>                    | <b>Principal<br/>Outstanding<br/>June 30, 2015</b> | <b>Additions</b>           | <b>Reductions</b>            | <b>Principal<br/>Outstanding<br/>June 30, 2016</b> | <b>Due Within<br/>One Year</b> |
|--|--|----------------------------|------------------------------|--|--------------------------------|
| Bonds & Loans                                      | \$51,778,000.00                                    |                            | \$ (2,500,000.00)            | \$ 49,278,000.00                                   | \$ 2,610,000.00                |
| Premium on Bonds                                   | 4,212,819.23                                       |                            | (304,073.70)                 | 3,908,745.53                                       |                                |
| PERS Deferral                                      | 128,177.50   |                            | (10,789.00)                  | 117,388.50   | 11,738.85                      |
| OPEB   | 4,209,000.00                                       | \$ 865,000.00              | (669,000.00)                 | 4,405,000.00                                       |                                |
| Net Pension Liability                              | 13,239,186.00                                      | 4,420,506.00               | (1,574,158.00)               | 16,085,534.00                                      |                                |
| Obligations under Capital<br>Leases                | 792,452.95   | 81,991.94                  | (486,820.92)                 | 387,623.97   | 279,021.92                     |
| Compensated Absences                               | 4,131,989.09                                       | 445,470.54                 | (314,728.65)                 | 4,262,730.98                                       | 341,240.98                     |
| <br>Governmental Activity<br>Long-term Liabilities | <br><u>\$ 78,491,624.77</u>                        | <br><u>\$ 5,812,968.48</u> | <br><u>\$ (5,859,570.27)</u> | <br><u>\$ 78,445,022.98</u>                        | <br><u>\$ 3,242,001.75</u>     |

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

On November 15, 1993, the School District issued \$15,998,000.00 in general obligation bonds at 5.2% interest for the new high school. The final maturity of the bonds is 2018.

On March 23, 2007, the school district issued an additional \$43,639,000.00 in general obligation bonds for various school construction additions. The bonds carried interest rates ranging from 4.125% to 4.50% and originally matured in 2032. The School District partially refunded these bonds with the 2014 refunding bonds discussed below. The remaining 2007 bonds matured in 2016.

On May 5, 2010, the School District issued \$11,995,000.00 in general obligation bonds to advance refund \$12,127,000.00 of the \$13,812,000.00 outstanding 2002 bonds. The bonds carry interest rates ranging from 2.00% to 5.00% and mature in 2032.

**Note 7: LONG-TERM LIABILITIES (CONT'D)****Bonds Payable (Cont'd)**

On June 27, 2014, the School District issued \$40,420,000.00 in general obligation bonds to advance refund \$41,129,000.00 of the \$42,169,000.00 outstanding 2007 bonds. The bonds carry interest rates ranging from 1.00% to 5.00% and mature in 2032. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,296,551.00. This difference, reported in the accompanying government-wide financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the refunding bonds. The advance refunding was undertaken to reduce total debt payments over the next 10 years by \$2,931,243.00 and to obtain a present value economic gain of \$2,254,883.00. The bonds will be paid from property taxes.

Principal and interest due on bonds and loans outstanding is as follows:

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Principal</u>        | <u>Interest</u>         | <u>Total</u>            |
|---|-------------------------|-------------------------|-------------------------|
| 2017  | \$ 2,610,000.00         | \$ 2,109,364.76         | \$ 4,719,364.76         |
| 2018  | 2,815,000.00            | 2,000,814.76            | 4,815,814.76            |
| 2019  | 3,003,000.00            | 1,874,304.26            | 4,877,304.26            |
| 2020  | 2,880,000.00            | 1,755,406.26            | 4,635,406.26            |
| 2021  | 3,070,000.00            | 1,634,481.26            | 4,704,481.26            |
| 2022-2026                                   | 13,710,000.00           | 6,111,906.30            | 19,821,906.30           |
| 2027-2031                                   | 17,225,000.00           | 2,789,743.78            | 20,014,743.78           |
| 2032  | 3,965,000.00            | 158,600.00              | 4,123,600.00            |
|   | <u>\$ 49,278,000.00</u> | <u>\$ 18,434,621.38</u> | <u>\$ 67,712,621.38</u> |

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

**Capital Leases Payable** - The School District is leasing computer equipment totaling \$2,536,765.08 under capital leases. The capital leases are for terms of 4 years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016.

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|---|----------------------|---------------------|----------------------|
| 2017  | \$ 279,021.92        | \$ 20,691.24        | \$ 299,713.16        |
| 2018  | 90,122.90            | 6,443.94            | 96,566.84            |
| 2019  | 18,479.15            | 1,093.01            | 19,572.16            |
|   | <u>\$ 387,623.97</u> | <u>\$ 28,228.19</u> | <u>\$ 415,852.16</u> |

The capital leases will be paid from property taxes.

**Compensated Absences** - Compensated absences will be paid from the fund from which the employees' salaries are paid.

**Note 7: LONG-TERM LIABILITIES (CONT'D)**

**Public Employees' Retirement System (PERS) Payment Deferral** - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

On April 2, 2009 the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$162,225.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Principal and interest due on the outstanding pension deferral is as follows:

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Deferral</u><br><u>Payment</u> | <u>Interest</u>     | <u>Total</u><br><u>Projected</u><br><u>Payments</u> |
|---|-----------------------------------|---------------------|---|
| 2017  | \$ 11,738.85                      | \$ 11,680.93        | \$ 23,419.78  |
| 2018  | 11,738.85                         | 10,512.84           | 22,251.69   |
| 2019  | 11,738.85                         | 9,344.75            | 21,083.60   |
| 2020  | 11,738.85                         | 8,176.65            | 19,915.50   |
| 2021  | 11,738.85                         | 7,008.56            | 18,747.41   |
| 2022-2026                                   | 58,694.25                         | 17,521.40           | 76,215.65   |
|   | <u>\$ 117,388.50</u>              | <u>\$ 64,245.13</u> | <u>\$ 181,633.63</u>                                |

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

**Note 8: OPERATING LEASES**

At June 30, 2016, the School District had operating lease agreements in effect for copy machines and mail machines and support services. The future minimum rental payments under the operating lease agreements are as follows:

| <u>Fiscal Year</u><br><u>Ending June 30</u> | <u>Amount</u>          |
|---|------------------------|
| 2017  | \$ 874,780.89          |
| 2018  | 724,603.71             |
| 2019  | 324,248.75             |
|   | <u>\$ 1,923,633.35</u> |

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$1,050,877.02.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

**General Information About the Pension Plans****Plan Descriptions**

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

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

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

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

The membership tiers for PERS are the same as previously noted for TPAF.

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

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

**Contributions**

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

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.17% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$1,763,732.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$2,436,656.61.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.08% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$616,057.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$346,997.01.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$61,545.89, and the School District recognized pension expense of \$40,522.81. There were no forfeitures during the fiscal year.

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

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

The State's proportionate share of net pension liability, attributable to the School District is as follows:

|  |                                |
|--|--------------------------------|
| School District's Proportionate Share of Net Pension Liability   | \$ -                           |
| State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District | <u>207,424,336.00</u>          |
|  | <u><u>\$207,424,336.00</u></u> |

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .3281808884%, which was a decrease of .0017916686% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$12,665,123.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$16,085,534.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was .0716568815%, which was an increase of .0009450670% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$1,272,100.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

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

|  | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|--|--|---|
| Differences between Expected<br>and Actual Experience  | \$ 383,744.00  | \$ -  |
| Changes of Assumptions   | 1,727,458.00   | -   |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                                     | -  | 286,246.00  |
| Changes in Proportion and Differences<br>between School District Contributions<br>and Proportionate Share of Contributions | 278,984.00   | 59,366.00   |
| School District Contributions Subsequent<br>to the Measurement Date  | 641,578.00   | -   |
|  | <b><u>\$ 3,031,764.00</u></b>                        | <b><u>\$ 345,612.00</u></b>                         |

\$641,578.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense on the following page.



Note 9: PENSION PLANS (CONT'D)Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

## Public Employees' Retirement System (Cont'd)

| <u>Year Ending<br/>June 30,</u> |                        |
|---------------------------------|------------------------|
| 2017                            | \$ 378,243.00          |
| 2018                            | 378,243.00             |
| 2019                            | 378,244.00             |
| 2020                            | 575,492.00             |
| 2021                            | 334,352.00             |
|                                 | <u>\$ 2,044,574.00</u> |

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between Expected<br>and Actual Experience  |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | -  |
| June 30, 2015  | 5.72  | -  |
| Changes of Assumptions   |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | 6.44  | -  |
| June 30, 2015  | 5.72  | -  |
| Net Difference between Projected<br>and Actual Earnings on Pension<br>Plan Investments                                     |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | -   | 5.00   |
| June 30, 2015  | -   | 5.00   |
| Changes in Proportion and Differences<br>between School District Contributions<br>and Proportionate Share of Contributions |   |  |
| Year of Pension Plan Deferral:   |   |  |
| June 30, 2014  | 6.44  | 6.44   |
| June 30, 2015  | 5.72  | 5.72   |

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

|                                | <u>TPAF</u>                  | <u>PERS</u>                  |
|--------------------------------|------------------------------|------------------------------|
| Inflation                      | 2.50%                        | 3.04%                        |
| Salary Increases:              |                              |                              |
| 2012-2021                      | Varies Based on Experience   | 2.15% - 4.40% Based on Age   |
| Thereafter                     | Varies Based on Experience   | 3.15% - 5.40% Based on Age   |
| Investment Rate of Return      | 7.90%                        | 7.90%                        |
| Mortality Rate Table           | RP-2000                      | RP-2000                      |
| Period of Actuarial Experience |                              |                              |
| Study upon which Actuarial     |                              |                              |
| Assumptions were Based         | July 1, 2009 - June 30, 2012 | July 1, 2008 - June 30, 2011 |

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

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

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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

| <u>Asset Class</u>           | <u>TPAF</u>              |   | <u>Asset Class</u>          | <u>PERS</u>              |   |
|------------------------------|--------------------------|---|-----------------------------|--------------------------|---|
|                              | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |                             | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| US Cash                      | 5.00%                    | 0.53%   | Cash                        | 5.00%                    | 1.04%   |
| US Government Bonds          | 1.75%                    | 1.39%   | U.S. Treasuries             | 1.75%                    | 1.64%   |
| US Credit Bonds              | 13.50%                   | 2.72%   | Investment Grade Credit     | 10.00%                   | 1.79%   |
| US Mortgages                 | 2.10%                    | 2.54%   | Mortgages                   | 2.10%                    | 1.62%   |
| US Inflation-Indexed Bonds   | 1.50%                    | 1.47%   | High Yield Bonds            | 2.00%                    | 4.03%   |
| US High Yield Bonds          | 2.00%                    | 4.57%   | Inflation-Indexed Bonds     | 1.50%                    | 3.25%   |
| US Equity Market             | 27.25%                   | 5.63%   | Broad U.S. Equities         | 27.25%                   | 8.52%   |
| Foreign-Developed Equity     | 12.00%                   | 6.22%   | Developed Foreign Equities  | 12.00%                   | 6.88%   |
| Emerging Markets Equity      | 6.40%                    | 8.46%   | Emerging Market Equities    | 6.40%                    | 10.00%  |
| Private Real Estate Property | 4.25%                    | 3.97%   | Private Equity              | 9.25%                    | 12.41%  |
| Timber                       | 1.00%                    | 4.09%   | Hedge Funds/Absolute Return | 12.00%                   | 4.72%   |
| Farmland                     | 1.00%                    | 4.61%   | Real Estate (Property)      | 2.00%                    | 6.83%   |
| Private Equity               | 9.25%                    | 9.15%   | Commodities                 | 1.00%                    | 5.32%   |
| Commodities                  | 1.00%                    | 3.58%   | Global Debt ex U.S.         | 3.50%                    | -0.40%  |
| Hedge Funds - MultiStrategy  | 4.00%                    | 4.59%   | REIT                        | 4.25%                    | 5.12%   |
| Hedge Funds - Equity Hedge   | 4.00%                    | 5.68%   |                             |                          |   |
| Hedge Funds - Distressed     | 4.00%                    | 4.30%   |                             |                          |   |
|                              |                          |   |                             | <u>100.00%</u>           |   |
|                              | <u>100.00%</u>           |   |                             |                          |   |

**Discount Rate** - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

|  | <b>TPAF</b>                        |  |                                    |
|--|------------------------------------|--|------------------------------------|
|  | <b>1%<br/>Decrease<br/>(3.13%)</b> | <b>Current<br/>Discount Rate<br/>(4.13%)</b> | <b>1%<br/>Increase<br/>(5.13%)</b> |
| School District's Proportionate Share of the Net Pension Liability                                     | \$ -                               | \$ -   | \$ -                               |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | 246,516,070.00                     | 207,424,336.00                               | 173,744,468.00                     |
|  | <u>\$246,516,070.00</u>            | <u>\$207,424,336.00</u>                      | <u>\$173,744,468.00</u>            |

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

|  | <b>PERS</b>                        |  |                                    |
|--|------------------------------------|--|------------------------------------|
|  | <b>1%<br/>Decrease<br/>(3.90%)</b> | <b>Current<br/>Discount Rate<br/>(4.90%)</b> | <b>1%<br/>Increase<br/>(5.90%)</b> |
| School District's Proportionate Share of the Net Pension Liability | \$ 19,992,351.00                   | \$ 16,085,534.00                             | \$ 12,810,087.00                   |

**Pension Plan Fiduciary Net Position**

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

**Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS**

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

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS****Plan Description**

The School District provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The plan was closed as of June 30, 2010 and is no longer available to employees who retire after June 30, 2010, except as noted in the following paragraphs. The plan requires that the coverage must never decrease from that which was available as of June 30, 2010. Because the level of benefits cannot decrease, it is estimated that the District may have to pay "Cadillac" excise taxes because the benefits are higher than the thresholds allowed in the Federal Affordable Care Act. While the coverage cannot decrease, the insurance carrier is allowed to change to the School District's current insurance carrier. The plan is administered by the School District; therefore, premium payments are made directly to the insurance carriers. The School District's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population:

Administrators retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable, for life. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any administrator who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for three administrators who were grandfathered, and two administrators who will be eligible to receive dental benefits.

Secretaries retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable. Upon the death of retiree, coverage does not continue for the surviving spouse. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any secretary who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for two secretaries who were grandfathered.

Teachers retiring after twenty-five (25) years of service with the School District will have prescription drug and dental benefits provided for both the retiree and spouse, where applicable, until the retiree attains age 65 upon which they enter the New Jersey School Employees Health Benefits Program. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2009, any teacher who retires on or after July 1, 2009 will not be eligible to receive prescription drug and dental benefits from the School District.

Full-time paraprofessionals are not eligible for postretirement welfare benefits from the School District.

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service. As of June 30, 2016, there were 66 retirees and surviving spouses and 3 active employees who qualify for benefits. 50 of the retirees have dependents who qualified for additional benefits.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Funding Policy**

The contribution requirement of the School District is established by the policy of the School District and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. Plan members are not required to make any contributions to the plan. The School District's contributions to the plan for the fiscal years ended June 30, 2016, 2015, and 2014 were \$669,000.00, \$812,000.00, and \$941,000.00, respectively.

In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the School District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The current ARC was determined to be \$949,000.00 at an unfunded discount rate of 4.5%. As stated above, the School District has funded the cost of existing retirees in the amount of \$698,000.00, and has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

**Annual OPEB Cost and Net OPEB Obligation**

For the year ended June 30, 2016, the School District's annual OPEB cost (expense) of \$865,000.00 for the plan was equal to the ARC plus certain adjustments for interest and because the School District's actual contributions in prior years differed from the ARC.

The School District's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2016, 2015, and 2014 are as follows:

|   | <u>2016</u>     | <u>2015</u>     | <u>2014</u>     |
|---|-----------------|-----------------|-----------------|
| Normal cost without interest                    | \$ 51,000.00    | \$ 51,000.00    | \$ 32,000.00    |
| Amortization payment                            | 898,000.00      | 898,000.00      | 1,033,000.00    |
| Annual required contribution (ARC)              | 949,000.00      | 949,000.00      | 1,065,000.00    |
| Interest on Net OPEB Obligation                 | 186,000.00      | 186,000.00      | 184,000.00      |
| Adjustments to the Annual Required Contribution | (270,000.00)    | (254,000.00)    | (337,000.00)    |
| Annual OPEB Cost                                | 865,000.00      | 881,000.00      | 912,000.00      |
| Pay-as-You-Go Cost                              | (669,000.00)    | (812,000.00)    | (941,000.00)    |
| Increase (Decrease) in the Net OPEB Obligation  | 196,000.00      | 69,000.00       | (29,000.00)     |
| Net OPEB obligation, July 1                     | 4,209,000.00    | 4,140,000.00    | 4,169,000.00    |
| Net OPEB obligation, June 30                    | \$ 4,405,000.00 | \$ 4,209,000.00 | \$ 4,140,000.00 |
| Percentage of Annual OPEB Cost Contributed      | 77%             | 92%             | 103%            |

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2016, was as follows:

|   |                         |
|---|-------------------------|
| Actuarial Accrued Liability (AAL)                   | \$ 14,518,000.00        |
| Adjustments to the Actuarial Accrued Liability      | 766,000.00              |
| Actuarial Value of Plan Assets                      | <u>-</u>                |
| Unfunded Actuarial Accrued Liability (UAAL)         | <u>\$ 15,284,000.00</u> |
| Funded Ratio (Actuarial Value of Plan Assets / AAL) | 0.0%                    |
| Covered Payroll (Active Plan Members)               | \$ 383,000.00           |
| UAAL as a Percentage of Covered Payroll             | 3990.6%                 |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The remaining amortization period at June 30, 2016, was twenty-two years. The actuarial assumptions included the following:

- *Mortality.* Sex-distinct RP 2006 (Headcount-Weighted) Mortality Tables for Employees and, Healthy Annuitants, projected with Scale MP-2015 on a generational basis
- *Turnover.* 100% of future retirees will participate in the retiree medical plan upon retirement
- *Assumed Retirement Age.* 15% retiring at age 55 gradually increasing to 50% at age 65 and 100% by the age of 71
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 6% in 2015, reducing by .1% per annum, leveling at 5% per annum in 2025
- *Medical Trend.* 11% in 2015, reducing by .5% per annum, until 2021 and then reducing by 1% per annum leveling at 5% per annum in 2024
- *Dental Trend.* 4% per annum

**Note 12: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, post-retirement medical costs, and non-contributory insurance related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$2,651,720.00, \$3,157,467.00 and \$125,824.00, respectively.

**Note 13: RISK MANAGEMENT**

The School 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.

**Joint Insurance Pool** - The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Liability other than Motor Vehicles  
Property Damage other than Motor Vehicles  
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School 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 fiscal years:

| <u>Fiscal Year</u>    | <u>Employee</u>      | <u>Interest</u> | <u>District</u>      | <u>Amount</u>     | <u>Ending</u>  |
|-----------------------|----------------------|-----------------|----------------------|-------------------|----------------|
| <u>Ending June 30</u> | <u>Contributions</u> | <u>Earnings</u> | <u>Contributions</u> | <u>Reimbursed</u> | <u>Balance</u> |
| 2016                  | \$ 70,600.90         | \$ 1,195.51     |                      | \$ 62,473.56      | \$ 274,237.87  |
| 2015                  | 70,530.85            | 1,054.50        |                      | 4,562.57          | 264,915.02     |
| 2014                  | 67,988.50            | 509.25          | \$ 100,000.00        | 98,726.02         | 197,892.24     |

**Note 14: DEFERRED COMPENSATION**

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators include as follows:

*Washington  
Prudential  
Equitable  
Travelers*



**Note 15: COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences 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.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward as sick days to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, the estimated liability for compensated absences in the governmental activities was \$4,262,730.98.

**Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

| <u>Fund</u>     | <u>Interfunds<br/>Receivable</u> | <u>Interfunds<br/>Payable</u> |
|-----------------|----------------------------------|-------------------------------|
| General         | \$ 275,332.01                    |                               |
| Special Revenue | 106,047.78                       | \$ 106,047.78                 |
| Fiduciary       | 13,442.11                        | 288,774.12                    |
|                 | <u>\$ 394,821.90</u>             | <u>\$ 394,821.90</u>          |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

| <u>Transfer Out:</u> | Transfer In:            |                                      |                                     |                                  |                                  |                           |
|----------------------|-------------------------|--------------------------------------|-------------------------------------|----------------------------------|----------------------------------|---------------------------|
|                      | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Debt<br/>Service<br/>Fund</u> | <u>Food<br/>Service<br/>Fund</u> | <u>Fiduciary<br/>Fund</u> |
| General              | \$(400,000.00)          | \$ 400,000.00                        |                                     |                                  |                                  |                           |
|                      | \$(400,000.00)          | \$ 400,000.00                        | \$ -                                | \$ -                             | \$ -                             | \$ -                      |

This transfer is the result of a board approved action that permits Capital Projects to be funded from Capital Reserve accounts. See Note 3 for additional information.

**Note 17: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

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

**Note 18: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 19: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund –**

**For Excess Surplus** – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$8,715,240.95. Of this, \$6,001,538.50 of excess fund balance, which was generated during 2014-2015, has been restricted and designated for utilization in the 2016-2017 budget.

**For Capital Reserve Account** – As of June 30, 2016, the balance in the capital reserve account is \$1,752,950.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Capital Projects Fund –**

**For Capital Projects** - As of June 30, 2016, the restricted fund balance in the capital projects fund was \$468,259.50. This balance is a result of a transfer from capital reserve fund balance for the purchase of a new administration building and a window and door project.

**Special Revenue Fund –**

**For Special Revenue** – of June 30, 2016, \$465,177.34 of special revenue fund balance was restricted.

**Debt Service Fund –**

**For Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$6,457.49 of debt service fund balance at June 30, 2016.

**Note 19: FUND BALANCES (CONT'D)****ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund –**

**Other Purposes** – As of June 30, 2016, the School District had \$118,103.77 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**For Subsequent Year's Expenditures** – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$97,253.78 of general fund balance at June 30, 2016.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** – As of June 30, 2016, \$1,628,804.45 of general fund balance was unassigned.

**Note 20: RESTATEMENT OF PRIOR PERIOD NET POSITION**

The School District restated its net position as of June 30, 2015 as a result of capital assets that were incorrectly written off during a previous year. The cumulative effect on the financial statements as reported for June 30, 2015 is as follows:

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>            |
|---|------------------------------------|-------------------------------------|-------------------------|
| Net Position as Previously Reported<br>at June 30, 2015   | \$ 25,723,193.59                   | \$ 901,184.20                       | \$ 26,624,377.79        |
| Prior Period Adjustment:<br><i>Adjustment to Capital Assets (Net<br/>of Accumulated Depreciation)</i> | <u>92,777.86</u>                   | <u>101,998.00</u>                   | <u>194,775.86</u>       |
| Net Position as Restated, July 1, 2015  | <u>\$ 25,815,971.45</u>            | <u>\$ 1,003,182.20</u>              | <u>\$ 26,819,153.65</u> |

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget   | Transfers/<br>Modifications | Final<br>Budget      | Actual               | Positive<br>(Negative)<br>Final to Actual |
|--|----------------------|-----------------------------|----------------------|----------------------|---|
| <b>REVENUES:</b>   |                      |                             |                      |                      |   |
| Local Sources:   |                      |                             |                      |                      |   |
| Local Tax Levy   | \$ 46,964,617.00     |                             | \$ 46,964,617.00     | \$ 46,964,617.00     |   |
| Tuition  | 361,500.00           |                             | 361,500.00           | 319,192.56           | \$ (42,307.44)                            |
| Miscellaneous  | 222,217.00           |                             | 222,217.00           | 271,515.44           | 49,298.44                                 |
| <b>Total - Local Sources</b>                                 | <b>47,548,334.00</b> | <b>\$ -</b>                 | <b>47,548,334.00</b> | <b>47,555,325.00</b> | <b>6,991.00</b>                           |
| State Sources:   |                      |                             |                      |                      |   |
| Equalization Aid   | 29,851,073.00        |                             | 29,851,073.00        | 29,851,073.00        |   |
| Categorical Special Education Aid                            | 3,338,740.00         |                             | 3,338,740.00         | 3,338,740.00         |   |
| Categorical Security Aid                                     | 648,933.00           |                             | 648,933.00           | 648,933.00           |   |
| Extraordinary Aid  | 198,450.00           |                             | 198,450.00           | 268,020.00           | 69,570.00                                 |
| Categorical Transportation Aid                               | 432,551.00           |                             | 432,551.00           | 432,551.00           |   |
| Additional Nonpublic School Transportation Aid               | 257,166.00           | (138,556.00)                | 118,610.00           | 118,610.00           |   |
| Other Transportation Aid                                     |                      |                             |                      | 35,494.00            | 35,494.00                                 |
| Under Adequacy Aid   |                      | 138,556.00                  | 138,556.00           | 138,556.00           |   |
| On-behalf TPAF Pension Contributions:                        |                      |                             |                      |                      |   |
| Normal Cost (non-budgeted)                                   |                      |                             |                      | 2,525,896.00         | 2,525,896.00                              |
| Post Retirement Costs (non-budgeted)                         |                      |                             |                      | 3,157,467.00         | 3,157,467.00                              |
| Non-Contributory Group Insurance Costs (non-budgeted)        |                      |                             |                      | 125,824.00           | 125,824.00                                |
| Reimbursed TPAF Social Security Contributions (non-budgeted) |                      |                             |                      | 2,511,561.33         | 2,511,561.33                              |
| <b>Total - State Sources</b>                                 | <b>34,726,913.00</b> | <b>-</b>                    | <b>34,726,913.00</b> | <b>43,152,725.33</b> | <b>8,425,812.33</b>                       |
| Federal Sources:   |                      |                             |                      |                      |   |
| Medicaid Reimbursement                                       | 146,757.00           |                             | 146,757.00           | 152,890.75           | 6,133.75                                  |
| <b>Total Revenues</b>  | <b>82,422,004.00</b> | <b>-</b>                    | <b>82,422,004.00</b> | <b>90,860,941.08</b> | <b>8,438,937.08</b>                       |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|   | Original<br>Budget   | Transfers/<br>Modifications | Final<br>Budget      | Actual               | Positive<br>(Negative)<br>Final to Actual |
|---|----------------------|-----------------------------|----------------------|----------------------|---|
| <b>EXPENDITURES:</b>                                |                      |                             |                      |                      |   |
| <b>General Current Expense:</b>                     |                      |                             |                      |                      |   |
| Regular Programs - Instruction:                     |                      |                             |                      |                      |   |
| Salaries of Teachers:                               |                      |                             |                      |                      |   |
| Kindergarten  | \$ 670,007.16        | \$ 7,940.68                 | \$ 677,947.84        | \$ 677,160.37        | \$ 787.47                                 |
| Grades 1-5  | 7,058,760.94         | 14,461.56                   | 7,073,222.50         | 6,847,738.93         | 225,483.57                                |
| Grades 6-8  | 5,190,727.47         | 80,006.02                   | 5,270,733.49         | 5,257,466.25         | 13,267.24                                 |
| Grades 9-12   | 6,903,303.46         | (14,995.65)                 | 6,888,307.81         | 6,842,471.33         | 45,836.48                                 |
| Regular Programs - Home Instruction:                |                      |                             |                      |                      |   |
| Salaries of Teachers                                | 110,000.00           |                             | 110,000.00           | 90,143.50            | 19,856.50                                 |
| Purchased Professional/Educational Services         | 125,000.00           | (14,000.00)                 | 111,000.00           | 62,788.51            | 48,211.49                                 |
| Regular Programs - Undistributed Instruction:       |                      |                             |                      |                      |   |
| Other Salaries for Instruction                      | 197,259.47           | 4,676.95                    | 201,936.42           | 186,824.19           | 15,112.23                                 |
| Purchased Professional/Educational Services         | 19,100.00            | (5,000.00)                  | 14,100.00            | 10,334.01            | 3,765.99                                  |
| Purchased Technical Services                        | 240,275.00           | (52,169.00)                 | 188,106.00           | 160,777.37           | 27,328.63                                 |
| Other Purchased Services                            | 1,631,531.40         | 31,775.41                   | 1,663,306.81         | 1,635,838.82         | 27,467.99                                 |
| General Supplies                                    | 627,124.21           | 11,587.79                   | 638,712.00           | 621,382.47           | 17,329.53                                 |
| Textbooks   | 71,226.90            | (10,354.05)                 | 60,872.85            | 58,403.76            | 2,469.09                                  |
| Other Objects                                       | 9,897.00             | 6,946.30                    | 16,843.30            | 14,649.54            | 2,193.76                                  |
| <b>Total Regular Programs</b>                       | <b>22,854,213.01</b> | <b>60,876.01</b>            | <b>22,915,089.02</b> | <b>22,465,979.05</b> | <b>449,109.97</b>                         |
| Learning and/or Language Disabilities:              |                      |                             |                      |                      |   |
| Salaries of Teachers                                | 553,364.48           | (4,357.41)                  | 549,007.07           | 548,676.71           | 330.36                                    |
| Other Salaries for Instruction                      | 190,049.31           | (22,064.51)                 | 167,984.80           | 157,186.07           | 10,798.73                                 |
| General Supplies                                    | 6,299.24             | (786.86)                    | 5,512.38             | 5,476.03             | 36.35                                     |
| <b>Total Learning and/or Language Disabilities:</b> | <b>749,713.03</b>    | <b>(27,208.78)</b>          | <b>722,504.25</b>    | <b>711,338.81</b>    | <b>11,165.44</b>                          |
| Behavioral Disabilities:                            |                      |                             |                      |                      |   |
| Salaries of Teachers                                | 304,373.84           |                             | 304,373.84           | 282,759.65           | 21,614.19                                 |
| Other Salaries for Instruction                      | 106,090.09           | (6,897.85)                  | 99,192.24            | 87,413.32            | 11,778.92                                 |
| General Supplies                                    | 500.00               |                             | 500.00               | 224.07               | 275.93                                    |
| Other Objects                                       |                      | 1,100.00                    | 1,100.00             | 288.90               | 811.10                                    |
| <b>Total Behavioral Disabilities</b>                | <b>410,963.93</b>    | <b>(5,797.85)</b>           | <b>405,166.08</b>    | <b>370,685.94</b>    | <b>34,480.14</b>                          |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|   | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|---|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>                   |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>       |                     |                             |                     |                     |   |
| Multiple Disabilities:                          |                     |                             |                     |                     |   |
| Salaries of Teachers                            | \$ 346,826.46       | \$ 40,842.02                | \$ 387,668.48       | \$ 387,668.48       |   |
| Other Salaries for Instruction                  | 250,735.80          | 84,253.66                   | 334,989.46          | 296,674.51          | \$ 38,314.95                              |
| General Supplies                                | 6,653.00            |                             | 6,653.00            | 6,541.96            | 111.04                                    |
| <b>Total Multiple Disabilities</b>              | <b>604,215.26</b>   | <b>125,095.68</b>           | <b>729,310.94</b>   | <b>690,884.95</b>   | <b>38,425.99</b>                          |
| Resource Room/Resource Center:                  |                     |                             |                     |                     |   |
| Salaries of Teachers                            | 4,475,513.11        | (109,523.66)                | 4,365,989.45        | 4,293,859.00        | 72,130.45                                 |
| Other Salaries for Instruction                  | 525,290.60          | 39,347.98                   | 564,638.58          | 512,089.88          | 52,548.70                                 |
| Purchased Technical Services                    | 515.00              |                             | 515.00              |                     | 515.00                                    |
| General Supplies                                | 29,677.69           | (5,035.37)                  | 24,642.32           | 23,703.34           | 938.98                                    |
| Textbooks                                       | 4,985.36            | 0.55                        | 4,985.91            | 4,973.17            | 12.74                                     |
| <b>Total Resource Room/Resource Center</b>      | <b>5,035,981.76</b> | <b>(75,210.50)</b>          | <b>4,960,771.26</b> | <b>4,834,625.39</b> | <b>126,145.87</b>                         |
| Autism:   |                     |                             |                     |                     |   |
| Salaries of Teachers                            | 547,990.22          | (50,506.10)                 | 497,484.12          | 489,799.60          | 7,684.52                                  |
| Other Salaries for Instruction                  | 305,300.01          | 9,578.68                    | 314,878.69          | 250,940.81          | 63,937.88                                 |
| General Supplies                                | 16,636.39           | (3,170.00)                  | 13,466.39           | 8,942.21            | 4,524.18                                  |
| <b>Total Autism</b>                             | <b>869,926.62</b>   | <b>(44,097.42)</b>          | <b>825,829.20</b>   | <b>749,682.62</b>   | <b>76,146.58</b>                          |
| Preschool Disabilities - Part-Time:             |                     |                             |                     |                     |   |
| Salaries of Teachers                            | 220,269.02          | 1,412.92                    | 221,681.94          | 221,681.94          |   |
| Other Salaries for Instruction                  | 153,330.43          | (9,830.18)                  | 143,500.25          | 124,691.79          | 18,808.46                                 |
| General Supplies                                | 1,000.00            | (1,000.00)                  |                     |                     |   |
| <b>Total Preschool Disabilities - Part-Time</b> | <b>374,599.45</b>   | <b>(9,417.26)</b>           | <b>365,182.19</b>   | <b>346,373.73</b>   | <b>18,808.46</b>                          |

(Continued)



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br><u>Budget</u> | Transfers/<br><u>Modifications</u> | Final<br><u>Budget</u> | <u>Actual</u>       | Positive<br>(Negative)<br><u>Final to Actual</u> |
|--|---------------------------|------------------------------------|------------------------|---------------------|--|
| <b>EXPENDITURES (CONT'D):</b>  |                           |                                    |                        |                     |  |
| <b>General Current Expenses (Cont'd):</b>                                      |                           |                                    |                        |                     |  |
| Preschool Disabilities - Full-Time:  |                           |                                    |                        |                     |  |
| Salaries of Teachers   | \$ 113,933.94             | \$ (3,003.34)                      | \$ 110,930.60          | \$ 90,418.26        | \$ 20,512.34                                     |
| Other Salaries for Instruction   | 62,574.00                 | 1,585.78                           | 64,159.78              | 63,919.78           | 240.00   |
| Total Preschool Disabilities - Full-Time                                       | 176,507.94                | (1,417.56)                         | 175,090.38             | 154,338.04          | 20,752.34  |
| <b>Total Special Education - Instruction</b>                                   | <b>8,221,907.99</b>       | <b>(38,053.69)</b>                 | <b>8,183,854.30</b>    | <b>7,857,929.48</b> | <b>325,924.82</b>                                |
| Basic Skills/Remedial - Instruction:   |                           |                                    |                        |                     |  |
| Salaries of Teachers   | 1,507,324.73              | (16,534.56)                        | 1,490,790.17           | 1,389,045.30        | 101,744.87                                       |
| Bilingual Education - Instruction:   |                           |                                    |                        |                     |  |
| Salaries of Teachers   | 147,148.54                |                                    | 147,148.54             | 126,524.26          | 20,624.28  |
| General Supplies   | 2,465.00                  | (67.00)                            | 2,398.00               | 1,596.41            | 801.59   |
| Textbooks  |                           | 237.00                             | 237.00                 | 236.88              | 0.12   |
| Total Bilingual Education - Instruction  | 149,613.54                | 170.00                             | 149,783.54             | 128,357.55          | 21,425.99  |
| School-Sponsored Cocurricular & Extracurricular Activities - Instruction:      |                           |                                    |                        |                     |  |
| Salaries   | 285,149.00                | 3,848.63                           | 288,997.63             | 280,825.62          | 8,172.01   |
| Other Purchased Services   | 10,279.00                 | 3,000.00                           | 13,279.00              | 6,339.78            | 6,939.22   |
| Supplies and Materials   | 37,996.07                 | 9,819.00                           | 47,815.07              | 43,391.50           | 4,423.57   |
| Other Objects  | 47,804.00                 | 2,200.00                           | 50,004.00              | 43,489.81           | 6,514.19   |
| Total School-Sponsored Cocurricular & Extracurricular Activities - Instruction | 381,228.07                | 18,867.63                          | 400,095.70             | 374,046.71          | 26,048.99  |
| School-Sponsored Athletics - Instruction:                                      |                           |                                    |                        |                     |  |
| Salaries   | 396,375.00                | 6,082.85                           | 402,457.85             | 402,457.85          |  |
| Purchased Services   | 185,500.45                | (5,560.60)                         | 179,939.85             | 145,564.04          | 34,375.81  |
| Supplies and Materials   | 82,424.43                 | (1,677.01)                         | 80,747.42              | 79,702.67           | 1,044.75   |
| Other Objects  | 62,247.00                 | 7,288.61                           | 69,535.61              | 55,748.22           | 13,787.39  |
| Total School-Sponsored Athletics - Instruction                                 | 726,546.88                | 6,133.85                           | 732,680.73             | 683,472.78          | 49,207.95  |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|   | <u>Original<br/>Budget</u> | <u>Transfers/<br/>Modifications</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Positive<br/>(Negative)<br/>Final to Actual</u> |
|---|----------------------------|-------------------------------------|-------------------------|----------------------|--|
| <b>EXPENDITURES (CONT'D):</b>   |                            |                                     |                         |                      |  |
| <b>General Current Expenses (Cont'd):</b>                               |                            |                                     |                         |                      |  |
| Summer School - Instruction:  |                            |                                     |                         |                      |  |
| Salaries  | \$ 37,844.00               | \$ (24,849.00)                      | \$ 12,995.00            | \$ 12,995.00         |  |
| Supplies and Materials  | 780.00                     |                                     | 780.00                  | 675.00               | \$ 105.00  |
| <b>Total Summer School - Instruction</b>                                | <b>38,624.00</b>           | <b>(24,849.00)</b>                  | <b>13,775.00</b>        | <b>13,670.00</b>     | <b>105.00</b>                                      |
| Summer School - Support Services:                                       |                            |                                     |                         |                      |  |
| Salaries  | 1,000.00                   | 2,167.00                            | 3,167.00                | 3,167.00             |  |
| Supplies and Materials  | 112.00                     |                                     | 112.00                  |                      | 112.00   |
| Other Objects   | 3,800.00                   | (1,000.00)                          | 2,800.00                | 1,700.00             | 1,100.00   |
| <b>Total Summer School - Support Services</b>                           | <b>4,912.00</b>            | <b>1,167.00</b>                     | <b>6,079.00</b>         | <b>4,867.00</b>      | <b>1,212.00</b>                                    |
| <b>Total Summer School</b>  | <b>43,536.00</b>           | <b>(23,682.00)</b>                  | <b>19,854.00</b>        | <b>18,537.00</b>     | <b>1,317.00</b>                                    |
| Instructional/Alternative Education Program - Instruction:              |                            |                                     |                         |                      |  |
| Salaries of Teachers  |                            | 24,675.75                           | 24,675.75               | 24,675.75            |  |
| Other Salaries of Instruction   |                            | 528.00                              | 528.00                  | 528.00               |  |
| Purchased Professional & Technical Services                             |                            | 14,000.00                           | 14,000.00               | 14,000.00            |  |
| <b>Total Instructional/Alternative Education Program - Instruction:</b> | <b>-</b>                   | <b>39,203.75</b>                    | <b>39,203.75</b>        | <b>39,203.75</b>     | <b>-</b>   |
| Instructional/Alternative Education Program - Support Services:         |                            |                                     |                         |                      |  |
| Salaries  |                            | 7,418.10                            | 7,418.10                | 7,418.10             |  |
| <b>Total Instructional/Alternative Education Program:</b>               | <b>-</b>                   | <b>46,621.85</b>                    | <b>46,621.85</b>        | <b>46,621.85</b>     | <b>-</b>   |
| Other:  |                            |                                     |                         |                      |  |
| Ins/Sal   | 51,600.00                  |                                     | 51,600.00               | 41,906.65            | 9,693.35   |
| <b>Total Instruction</b>  | <b>33,935,970.22</b>       | <b>54,399.09</b>                    | <b>33,990,369.31</b>    | <b>33,005,896.37</b> | <b>984,472.94</b>                                  |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|--|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>                                    |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>                        |                     |                             |                     |                     |   |
| Undistributed Expenditures - Instruction:                        |                     |                             |                     |                     |   |
| Tuition to Other LEAs Within the State-Regular                   | \$ 285,343.00       | \$ (47,052.00)              | \$ 238,291.00       | \$ 182,682.22       | \$ 55,608.78                              |
| Tuition to Other LEAs Within the State-Special                   | 86,848.00           | 94,304.16                   | 181,152.16          | 137,810.13          | 43,342.03                                 |
| Tuition to County Voc School Dist - Regular                      | 222,705.00          | 15,435.00                   | 238,140.00          | 236,927.24          | 1,212.76                                  |
| Tuition to County Voc School Dist - Special                      | 29,511.00           |                             | 29,511.00           | 14,755.00           | 14,756.00                                 |
| Tuition to CSSD & Regional Day Schools                           | 1,511,415.80        | 67,770.47                   | 1,579,186.27        | 968,623.33          | 610,562.94                                |
| Tuition to Private School for the Handicapped-State              | 1,848,519.64        | (225,534.70)                | 1,622,984.94        | 1,205,337.40        | 417,647.54                                |
| Tuition to Private School and Other LEAs - Outside State         | 131,641.20          |                             | 131,641.20          | 88,560.00           | 43,081.20                                 |
| Tuition - State Facilities                                       | 64,612.00           |                             | 64,612.00           | 64,612.00           |   |
| Tuition - Other  | 282,469.94          | 10,977.06                   | 293,447.00          | 265,459.50          | 27,987.50                                 |
| <b>Total Undistributed Expenditures - Instruction</b>            | <b>4,463,065.58</b> | <b>(84,100.01)</b>          | <b>4,378,965.57</b> | <b>3,164,766.82</b> | <b>1,214,198.75</b>                       |
| Undistributed Expenditures - Attendance and Social Work:         |                     |                             |                     |                     |   |
| Salaries   | 30,702.00           | -                           | 30,702.00           | 30,099.96           | 602.04                                    |
| Undistributed Expenditures - Health Services:                    |                     |                             |                     |                     |   |
| Salaries   | 624,363.56          | 11,344.24                   | 635,707.80          | 601,554.76          | 34,153.04                                 |
| Purchased Professional and Technical Services                    | 531,118.75          | (6,357.47)                  | 524,761.28          | 247,732.00          | 277,029.28                                |
| Other Purchased Services   | 170.00              |                             | 170.00              |                     | 170.00                                    |
| Supplies and Materials   | 16,740.69           | (261.13)                    | 16,479.56           | 15,184.57           | 1,294.99                                  |
| <b>Total Undistributed Expenditures - Health Services</b>        | <b>1,172,393.00</b> | <b>4,725.64</b>             | <b>1,177,118.64</b> | <b>864,471.33</b>   | <b>312,647.31</b>                         |
| Undistributed Expenditures - Other Related Services:             |                     |                             |                     |                     |   |
| Salaries   | 992,483.22          | (21,956.44)                 | 970,526.78          | 970,526.78          |   |
| Purchased Professional and Technical Services                    | 22,600.00           | 26,778.00                   | 49,378.00           | 45,661.45           | 3,716.55                                  |
| Supplies and Materials   | 22,000.00           |                             | 22,000.00           | 4,764.97            | 17,235.03                                 |
| Other Objects  | 1,350.00            |                             | 1,350.00            | 985.00              | 365.00                                    |
| <b>Total Undistributed Expenditures - Other Related Services</b> | <b>1,038,433.22</b> | <b>4,821.56</b>             | <b>1,043,254.78</b> | <b>1,021,938.20</b> | <b>21,316.58</b>                          |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|   | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|---|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>   |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>                                       |                     |                             |                     |                     |   |
| Undistributed Expenditures - Guidance:  |                     |                             |                     |                     |   |
| Salaries of Other Professional Staff  | \$ 1,157,264.90     | \$ (10,364.40)              | \$ 1,146,900.50     | \$ 1,077,473.03     | \$ 69,427.47                              |
| Salaries of Secretarial and Clerical Assistants                                 | 288,744.00          | 1,713.10                    | 290,457.10          | 281,760.53          | 8,696.57                                  |
| Other Salaries  | 39,460.00           | 9,900.00                    | 49,360.00           | 41,192.25           | 8,167.75                                  |
| Purchased Professional Educational Services                                     | 2,000.00            | (220.00)                    | 1,780.00            | 1,601.75            | 178.25                                    |
| Other Purchased Professional and Technical Services                             | 8,290.00            | (3,128.10)                  | 5,161.90            | 5,161.90            |   |
| Other Purchased Services  | 500.00              |                             | 500.00              |                     | 500.00                                    |
| Supplies and Materials  | 51,215.51           | 2,769.03                    | 53,984.54           | 44,898.26           | 9,086.28                                  |
| Other Objects   | 1,730.00            |                             | 1,730.00            | 1,190.00            | 540.00                                    |
| <b>Total Undistributed Expenditures - Guidance</b>                              | <b>1,549,204.41</b> | <b>669.63</b>               | <b>1,549,874.04</b> | <b>1,453,277.72</b> | <b>96,596.32</b>                          |
| Undistributed Expenditures - Child Study Team:                                  |                     |                             |                     |                     |   |
| Salaries of Other Professional Staff  | 1,267,930.58        | (37,780.00)                 | 1,230,150.58        | 1,192,298.55        | 37,852.03                                 |
| Salaries of Secretarial and Clerical Assistants                                 | 241,584.98          | 8,832.48                    | 250,417.46          | 241,262.43          | 9,155.03                                  |
| Other Salaries  | 122,086.80          |                             | 122,086.80          | 99,517.68           | 22,569.12                                 |
| Purchased Professional Educational Services                                     | 59,303.00           |                             | 59,303.00           | 58,818.12           | 484.88                                    |
| Other Purchased Professional & Technical Services                               | 35,587.00           |                             | 35,587.00           | 21,915.83           | 13,671.17                                 |
| Supplies and Materials  | 36,450.00           | (1,100.00)                  | 35,350.00           | 19,689.22           | 15,660.78                                 |
| Other Objects   | 27,140.00           |                             | 27,140.00           | 10,211.62           | 16,928.38                                 |
| <b>Total Undistributed Expenditures - Child Study Team</b>                      | <b>1,790,082.36</b> | <b>(30,047.52)</b>          | <b>1,760,034.84</b> | <b>1,643,713.45</b> | <b>116,321.39</b>                         |
| Undistributed Expenditures - Improvement of Instructional Services:             |                     |                             |                     |                     |   |
| Salaries of Supervisors of Instruction  | 578,575.00          |                             | 578,575.00          | 578,574.96          | 0.04                                      |
| Salaries of Secretarial and Clerical Assistants                                 | 21,504.91           | 16,896.72                   | 38,401.63           | 37,267.10           | 1,134.53                                  |
| Other Salaries for Instruction  | 235,898.00          | (1,200.00)                  | 234,698.00          | 25,393.50           | 209,304.50                                |
| Purchased Professional Educational Services                                     | 1,056,138.82        | 40,000.00                   | 1,096,138.82        | 1,014,413.58        | 81,725.24                                 |
| <b>Total Undistributed Expenditures - Improvement of Instructional Services</b> | <b>1,892,116.73</b> | <b>55,696.72</b>            | <b>1,947,813.45</b> | <b>1,655,649.14</b> | <b>292,164.31</b>                         |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|--|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>  |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>                                    |                     |                             |                     |                     |   |
| Undistributed Expenditures - Educational Media/Library Services:             |                     |                             |                     |                     |   |
| Salaries   | \$ 1,246,484.18     | \$ (63,038.91)              | \$ 1,183,445.27     | \$ 1,164,966.67     | \$ 18,478.60                              |
| Salaries of Tech Coordinators  | 280,494.68          | 73,583.01                   | 354,077.69          | 354,077.69          |   |
| Purchased Professional & Technical Services                                  | 50,009.00           | (2,396.60)                  | 47,612.40           | 39,946.56           | 7,665.84                                  |
| Supplies and Materials   | 98,231.25           | (3,412.88)                  | 94,818.37           | 92,867.61           | 1,950.76                                  |
| <b>Total Undistributed Expenditures - Educational Media/Library Services</b> | <b>1,675,219.11</b> | <b>4,734.62</b>             | <b>1,679,953.73</b> | <b>1,651,858.53</b> | <b>28,095.20</b>                          |
| Undistributed Expenditures - Instructional Staff Training Services           |                     |                             |                     |                     |   |
| Other Salaries   | 80,700.00           | 464.00                      | 81,164.00           | 44,924.00           | 36,240.00                                 |
| Purchased Professional Educational Services                                  | 50,000.00           |                             | 50,000.00           | 17,365.95           | 32,634.05                                 |
| Other Purchased Professional & Technical Services                            | 165,000.00          |                             | 165,000.00          | 147,634.11          | 17,365.89                                 |
| Other Purchased Services   | 5,500.00            |                             | 5,500.00            | 2,014.48            | 3,485.52                                  |
| Supplies and Materials   | 600,000.00          | (55,081.72)                 | 544,918.28          | 489,572.81          | 55,345.47                                 |
| Other Objects  | 12,000.00           | 225.00                      | 12,225.00           | 5,679.00            | 6,546.00                                  |
| <b>Total Instructional Staff Training Services</b>                           | <b>913,200.00</b>   | <b>(54,392.72)</b>          | <b>858,807.28</b>   | <b>707,190.35</b>   | <b>151,616.93</b>                         |
| Undistributed Expenditures - Support Services - General Admin.:              |                     |                             |                     |                     |   |
| Salaries   | 758,513.04          | 15,477.28                   | 773,990.32          | 756,024.04          | 17,966.28                                 |
| Legal Services   | 210,000.00          | 110,000.00                  | 320,000.00          | 315,528.57          | 4,471.43                                  |
| Audit Fees   | 68,585.00           | (1,050.00)                  | 67,535.00           | 64,625.00           | 2,910.00                                  |
| Other Purchased Professional Services  | 72,458.00           | 15,900.00                   | 88,358.00           | 56,969.22           | 31,388.78                                 |
| Purchased Technical Services   | 12,234.00           | (3,500.00)                  | 8,734.00            | 5,193.45            | 3,540.55                                  |
| Communications/Telephone   | 141,930.00          | (8,700.00)                  | 133,230.00          | 127,081.17          | 6,148.83                                  |
| BOE Other Purchased Services   | 1,000.00            |                             | 1,000.00            | 464.25              | 535.75                                    |
| Other Purchased Services   | 335,032.00          | (1,500.00)                  | 333,532.00          | 324,871.68          | 8,660.32                                  |
| General Supplies   | 56,917.00           | (28,900.00)                 | 28,017.00           | 26,012.13           | 2,004.87                                  |
| Judgements Against The School District                                       |                     | 29,310.00                   | 29,310.00           | 19,310.00           | 10,000.00                                 |
| Miscellaneous Expenditures   | 23,737.00           | 4,910.00                    | 28,647.00           | 26,308.73           | 2,338.27                                  |
| BOE Membership Dues and Fees   | 62,585.00           | (15,470.00)                 | 47,115.00           | 45,841.10           | 1,273.90                                  |
| <b>Total Undistributed Expenditures - Support Services - General Admin.</b>  | <b>1,742,991.04</b> | <b>116,477.28</b>           | <b>1,859,468.32</b> | <b>1,768,229.34</b> | <b>91,238.98</b>                          |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|--|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>  |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>                                  |                     |                             |                     |                     |   |
| Undistributed Expenditures - Support Services - School Admin.:             |                     |                             |                     |                     |   |
| Salaries of Principals/Assistant Principals                                | \$ 2,073,585.60     | \$ 14,430.83                | \$ 2,088,016.43     | \$ 2,077,525.24     | \$ 10,491.19                              |
| Salaries of Secretarial and Clerical Assistants                            | 1,180,840.67        | 14,870.25                   | 1,195,710.92        | 1,173,429.00        | 22,281.92                                 |
| Other Salaries   | 41,600.00           |                             | 41,600.00           | 29,144.40           | 12,455.60                                 |
| Purchased Professional & Technical Services                                | 27,114.00           | (4,800.00)                  | 22,314.00           | 2,986.22            | 19,327.78                                 |
| Other Purchased Services   | 19,448.50           | (2,434.00)                  | 17,014.50           | 5,893.44            | 11,121.06                                 |
| Supplies and Materials   | 139,295.44          | 14,650.88                   | 153,946.32          | 138,700.18          | 15,246.14                                 |
| Other Objects  | 52,427.00           | 752.00                      | 53,179.00           | 39,085.58           | 14,093.42                                 |
| <b>Total Undistributed Expenditures - Support Services - School Admin.</b> | <b>3,534,311.21</b> | <b>37,469.96</b>            | <b>3,571,781.17</b> | <b>3,466,764.06</b> | <b>105,017.11</b>                         |
| Undistributed Expenditures - Central Services                              |                     |                             |                     |                     |   |
| Salaries   | 657,214.46          | (3,750.00)                  | 653,464.46          | 647,215.52          | 6,248.94                                  |
| Purchased Professional Services  | 75,000.00           |                             | 75,000.00           |                     | 75,000.00                                 |
| Purchased Technical Services   | 27,500.00           |                             | 27,500.00           | 12,851.00           | 14,649.00                                 |
| Supplies and Materials   | 25,112.00           | (5,450.00)                  | 19,662.00           | 12,994.48           | 6,667.52                                  |
| Interest on Lease Purchases Agreements                                     | 98,318.93           |                             | 98,318.93           | 98,318.93           |   |
| Miscellaneous Expenditures   | 1,000.00            | 5,450.00                    | 6,450.00            | 6,361.46            | 88.54                                     |
| <b>Total Undistributed Expenditures - Central Services</b>                 | <b>884,145.39</b>   | <b>(3,750.00)</b>           | <b>880,395.39</b>   | <b>777,741.39</b>   | <b>102,654.00</b>                         |
| Undistributed Expenditures - Administration Information Technology         |                     |                             |                     |                     |   |
| Salaries   | 249,385.51          | (28,000.00)                 | 221,385.51          | 202,647.55          | 18,737.96                                 |
| Purchased Professional Services  | 2,000.00            |                             | 2,000.00            |                     | 2,000.00                                  |
| Purchased Professional and Technical Services                              | 217,429.25          | (200.00)                    | 217,229.25          | 186,222.50          | 31,006.75                                 |
| Other Purchased Services   | 2,500.00            |                             | 2,500.00            | 1,112.91            | 1,387.09                                  |
| Supplies and Materials   | 44,829.95           | (700.00)                    | 44,129.95           | 44,024.37           | 105.58                                    |
| Other Objects  | 5,950.00            | 900.00                      | 6,850.00            | 4,373.00            | 2,477.00                                  |
| <b>Total Administration Information Technology</b>                         | <b>522,094.71</b>   | <b>(28,000.00)</b>          | <b>494,094.71</b>   | <b>438,380.33</b>   | <b>55,714.38</b>                          |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget  | Transfers/<br>Modifications | Final<br>Budget     | Actual              | Positive<br>(Negative)<br>Final to Actual |
|--|---------------------|-----------------------------|---------------------|---------------------|---|
| <b>EXPENDITURES (CONT'D):</b>  |                     |                             |                     |                     |   |
| <b>General Current Expenses (Cont'd):</b>  |                     |                             |                     |                     |   |
| Undistributed Expenditures - Required Maintenance for School Facilities:             |                     |                             |                     |                     |   |
| Salaries   | \$ 130,360.00       | \$ 0.10                     | \$ 130,360.10       | \$ 130,360.10       |   |
| Cleaning, Repair, and Maintenance Service  | 484,074.00          | 8,882.89                    | 492,956.89          | 366,976.60          | \$ 125,980.29                             |
| General Supplies   | 35,265.00           | 30,247.00                   | 65,512.00           | 43,866.45           | 21,645.55                                 |
| <b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b> | <b>649,699.00</b>   | <b>39,129.99</b>            | <b>688,828.99</b>   | <b>541,203.15</b>   | <b>147,625.84</b>                         |
| Undistributed Expenditures - Custodial Services:                                     |                     |                             |                     |                     |   |
| Salaries   |                     |                             |                     |                     |   |
| Salaries of Non Instructional Aides  | 317,884.58          | 204.02                      | 318,088.60          | 308,471.09          | 9,617.51                                  |
| Cleaning, Repair, and Maintenance Service  | 3,601,502.00        | (142,828.67)                | 3,458,673.33        | 3,200,345.19        | 258,328.14                                |
| Other Purchased Property Services  | 400,558.00          | 87,495.38                   | 488,053.38          | 474,912.60          | 13,140.78                                 |
| Insurance  | 39,000.00           |                             | 39,000.00           | 1,179.00            | 37,821.00                                 |
| Misc Purchased Services  | 2,000.00            |                             | 2,000.00            |                     | 2,000.00                                  |
| General Supplies   | 469,268.15          | (77,195.75)                 | 392,072.40          | 371,768.06          | 20,304.34                                 |
| Energy (Natural Gas)   | 843,000.00          | (217,000.00)                | 626,000.00          | 325,317.36          | 300,682.64                                |
| Energy (Electricity)   | 1,848,947.00        | 217,000.00                  | 2,065,947.00        | 2,065,350.19        | 596.81                                    |
| Energy (Oil)   | 5,800.00            |                             | 5,800.00            | 2,003.42            | 3,796.58                                  |
| Other Objects  | 16,915.00           | 3,609.15                    | 20,524.15           | 15,756.70           | 4,767.45                                  |
| <b>Total Undistributed Expenditures - Custodial Services:</b>                        | <b>7,544,874.73</b> | <b>(128,715.87)</b>         | <b>7,416,158.86</b> | <b>6,765,103.61</b> | <b>651,055.25</b>                         |
| Undistributed Expenditures - Care and Upkeep of Grounds                              |                     |                             |                     |                     |   |
| Cleaning, Repair, and Maintenance Service  | 305,060.00          | 14,460.00                   | 319,520.00          | 297,639.07          | 21,880.93                                 |
| General Supplies   | 77,090.00           | (9,745.00)                  | 67,345.00           | 50,640.44           | 16,704.56                                 |
| <b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>                 | <b>382,150.00</b>   | <b>4,715.00</b>             | <b>386,865.00</b>   | <b>348,279.51</b>   | <b>38,585.49</b>                          |
| Undistributed Expenditures - Security  |                     |                             |                     |                     |   |
| Other Purchased Services   | 185,000.00          |                             | 185,000.00          | 180,951.70          | 4,048.30                                  |
| Cleaning, Repair, and Maintenance Service  | 104,402.75          | 35,795.47                   | 140,198.22          | 93,266.66           | 46,931.56                                 |
| General Supplies   | 42,288.00           | (863.00)                    | 41,425.00           | 18,710.44           | 22,714.56                                 |
| <b>Total Security</b>  | <b>331,690.75</b>   | <b>34,932.47</b>            | <b>366,623.22</b>   | <b>292,928.80</b>   | <b>73,694.42</b>                          |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | Original<br><u>Budget</u> | Transfers/<br><u>Modifications</u> | Final<br><u>Budget</u> | <u>Actual</u>        | Positive<br>(Negative)<br><u>Final to Actual</u> |
|--|---------------------------|------------------------------------|------------------------|----------------------|--|
| <b>EXPENDITURES (CONT'D):</b>                                    |                           |                                    |                        |                      |  |
| <b>General Current Expenses (Cont'd):</b>                        |                           |                                    |                        |                      |  |
| Undistributed Expenditures - Student Transportation:             |                           |                                    |                        |                      |  |
| Salaries for Pupil Transportation                                |                           |                                    |                        |                      |  |
| (Other Than Between Home & School)                               | \$ 228,725.12             |                                    | \$ 228,725.12          | \$ 204,730.76        | \$ 23,994.36                                     |
| Purchased Professional & Technical Services                      | 6,000.00                  |                                    | 6,000.00               | 4,170.50             | 1,829.50   |
| Contracted Services (Between Home & School) - Vendors            | 3,775,000.00              | \$ (337,933.10)                    | 3,437,066.90           | 3,166,330.51         | 270,736.39                                       |
| Contracted Services (Other Than Between Home & School) - Vendors | 294,000.00                | 54,295.90                          | 348,295.90             | 217,839.15           | 130,456.75                                       |
| Contracted Services (Home & School) - Joint Agreements           | 6,000.00                  | 26,000.00                          | 32,000.00              | 30,587.86            | 1,412.14   |
| Contracted Services (Special Ed. Students) - Vendors             | 3,398,000.00              | 278,297.20                         | 3,676,297.20           | 3,294,198.01         | 382,099.19                                       |
| Contracted Services (Special Ed. Students) - Joint Agreements    | 50,000.00                 | (17,160.00)                        | 32,840.00              | 15,378.54            | 17,461.46  |
| Contracted Services - Aid in Lieu Payments                       | 200,912.00                |                                    | 200,912.00             | 154,918.46           | 45,993.54  |
| Supplies and Materials   | 4,000.00                  | 10.00                              | 4,010.00               | 4,006.38             | 3.62   |
| Other Objects  | 3,600.00                  | (10.00)                            | 3,590.00               | 1,663.52             | 1,926.48   |
| <b>Total Undistributed Expenditures - Student Transportation</b> | <b>7,966,237.12</b>       | <b>3,500.00</b>                    | <b>7,969,737.12</b>    | <b>7,093,823.69</b>  | <b>875,913.43</b>                                |
| Undistributed Expenditures - Unallocated Benefits                |                           |                                    |                        |                      |  |
| Social Security Contributions                                    | 770,658.00                |                                    | 770,658.00             | 728,706.20           | 41,951.80  |
| Other Retirement Contributions - PERS                            | 669,464.00                |                                    | 669,464.00             | 616,057.00           | 53,407.00  |
| Other Retirement Contributions - Deferred PERS Payment           | 25,241.00                 |                                    | 25,241.00              | 24,900.00            | 341.00   |
| Other Retirement Contributions - Regular                         | 31,000.00                 | 10,774.81                          | 41,774.81              | 40,522.81            | 1,252.00   |
| Unemployment Compensation  | 70,000.00                 |                                    | 70,000.00              |                      | 70,000.00  |
| Workman's Compensation   | 298,813.00                |                                    | 298,813.00             | 206,651.00           | 92,162.00  |
| Health Benefits  | 11,550,364.72             | (94,869.73)                        | 11,455,494.99          | 10,354,250.08        | 1,101,244.91                                     |
| Tuition Reimbursement  | 154,851.50                |                                    | 154,851.50             | 122,151.79           | 32,699.71  |
| Other Employee Benefits  | 1,352,864.81              | (904.92)                           | 1,351,959.89           | 1,332,444.94         | 19,514.95  |
| <b>Total - Other Support Services</b>                            | <b>14,923,257.03</b>      | <b>(84,999.84)</b>                 | <b>14,838,257.19</b>   | <b>13,425,683.82</b> | <b>1,412,573.37</b>                              |

(Continued)



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|  | <u>Original<br/>Budget</u> | <u>Transfers/<br/>Modifications</u> | <u>Final<br/>Budget</u> | <u>Actual</u>        | <u>Positive<br/>(Negative)<br/>Final to Actual</u> |
|--|----------------------------|-------------------------------------|-------------------------|----------------------|--|
| <b>EXPENDITURES (CONT'D):</b>  |                            |                                     |                         |                      |  |
| On-behalf TPAF Pension Contributions:                                    |                            |                                     |                         |                      |  |
| Normal Cost (non-budgeted)   |                            |                                     |                         | \$ 2,525,896.00      | \$ (2,525,896.00)                                  |
| Post Retirement Costs (non-budgeted)                                     |                            |                                     |                         | 3,157,467.00         | (3,157,467.00)                                     |
| Non-Contributory Group Insurance Costs (non-budgeted)                    |                            |                                     |                         | 125,824.00           | (125,824.00)                                       |
| Reimbursed TPAF Social Security Contributions (non-budgeted)             |                            |                                     |                         | 2,511,561.33         | (2,511,561.33)                                     |
| Total Undistributed Expenditures- Non-budgeted                           | \$ -                       | \$ -                                | \$ -                    | 8,320,748.33         | (8,320,748.33)                                     |
| Total Undistributed Expenditures   | \$ 53,005,867.39           | \$ (107,133.09)                     | \$ 52,898,734.30        | \$ 55,431,851.53     | \$ (2,533,117.23)                                  |
| <b>Total General Current Expense</b>                                     | <b>86,941,837.61</b>       | <b>(52,734.00)</b>                  | <b>86,889,103.61</b>    | <b>88,437,747.90</b> | <b>(1,548,644.29)</b>                              |
| <b>Capital Outlay:</b>   |                            |                                     |                         |                      |  |
| Equipment:   |                            |                                     |                         |                      |  |
| School-Sponsored and Other Instructional Programs                        |                            | 20,410.00                           | 20,410.00               | 20,410.00            |  |
| Undistributed:   |                            |                                     |                         |                      |  |
| Instruction  | 44,300.00                  |                                     | 44,300.00               | 24,300.00            | 20,000.00  |
| Support Services   |                            | 6,357.47                            | 6,357.47                | 6,357.47             |  |
| Required Maintenance for School Facilities                               | 3,500.00                   | 103,821.15                          | 107,321.15              | 89,456.15            | 17,865.00  |
| Security   |                            | 62,257.00                           | 62,257.00               | 45,540.00            | 16,717.00  |
| Total Equipment  | 47,800.00                  | 192,845.62                          | 240,645.62              | 186,063.62           | 54,582.00  |
| Facilities Acquisition and Construction Services:                        |                            |                                     |                         |                      |  |
| Architectural/Engineering Services                                       |                            | 45,998.55                           | 45,998.55               | 45,998.55            |  |
| Construction Services  | 675,790.00                 | (192,845.62)                        | 482,944.38              | 406,032.72           | 76,911.66  |
| Land & Improvements  | 250,000.00                 | (45,998.55)                         | 204,001.45              |                      | 204,001.45   |
| Assessment for Debt Service on SDA Funding                               | 219,099.00                 |                                     | 219,099.00              | 219,099.00           |  |
| Total Facilities Acquisition and Construction Services                   | 1,144,889.00               | (192,845.62)                        | 952,043.38              | 671,130.27           | 280,913.11   |
| Interest deposit to Capital Reserve                                      | 100.00                     |                                     | 100.00                  |                      | 100.00   |
| Undistributed Expend-Assets Acquired Under Capital Leases (Non-Budgeted) |                            |                                     |                         | 81,991.94            | (81,991.94)  |
| <b>Total Capital Outlay</b>  | <b>1,192,789.00</b>        | <b>-</b>                            | <b>1,192,789.00</b>     | <b>939,185.83</b>    | <b>253,603.17</b>                                  |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

|   | Original<br>Budget | Transfers/<br>Modifications | Final<br>Budget | Actual           | Positive<br>(Negative)<br>Final to Actual |
|---|--------------------|-----------------------------|-----------------|------------------|---|
| <b>EXPENDITURES (CONT'D):</b>   |                    |                             |                 |                  |   |
| Transfer Funds to Charter Schools   | \$ 24,813.00       | \$ 52,734.00                | \$ 77,547.00    | \$ 66,029.00     | \$ 11,518.00                              |
| <b>Total Expenditures</b>   | 88,159,439.61      | -                           | 88,159,439.61   | 89,442,962.73    | (1,283,523.12)                            |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                                       | (5,737,435.61)     | -                           | (5,737,435.61)  | 1,417,978.35     | 7,155,413.96                              |
| <b>Other Financing Sources (Uses):</b>  |                    |                             |                 |                  |   |
| Capital Leases (Non-Budgeted)   |                    |                             |                 | 81,991.94        | 81,991.94                                 |
| Transfer from Capital Reserve   |                    |                             |                 | (400,000.00)     | (400,000.00)                              |
| <b>Total Other Financing Sources (Uses)</b>   | -                  | -                           | -               | (318,008.06)     | (318,008.06)                              |
| Excess (Deficiency) of Revenues Over (Under) Expenditures<br>and Other Financing Sources (Uses) | (5,737,435.61)     | -                           | (5,737,435.61)  | 1,099,970.29     | 6,837,405.90                              |
| Fund Balances - July 1,   | 14,503,779.66      | -                           | 14,503,779.66   | 14,503,779.66    |   |
| Fund Balances - June 30,  | \$ 8,766,344.05    | \$ -                        | \$ 8,766,344.05 | \$ 15,603,749.95 | \$ 6,837,405.90                           |
| <b>Recapitulation of Fund Balance:</b>  |                    |                             |                 |                  |   |
| Restricted Fund Balances:   |                    |                             |                 |                  |   |
| Capital Reserve   |                    |                             |                 | \$ 1,752,950.00  |   |
| Excess Surplus - Designated for Subsequent Year Expenditures                                    |                    |                             |                 | 6,001,538.50     |   |
| Excess Surplus - Current Year   |                    |                             |                 | 6,005,099.45     |   |
| Assigned Fund Balance:  |                    |                             |                 |                  |   |
| Encumbrances  |                    |                             |                 | 118,103.77       |   |
| ARRA/SEMI - Designated for Subsequent Year's Expenditures                                       |                    |                             |                 | 90,323.61        |   |
| Designated for Subsequent Year Expenditures   |                    |                             |                 | 3,530.50         |   |
| 2017-18 SEMI--Settlement  |                    |                             |                 | 3,399.67         |   |
| Unassigned Fund Balance   |                    |                             |                 | 1,628,804.45     |   |
|   |                    |                             |                 | 15,603,749.95    |   |
| Reconciliation to Governmental Funds Statements (GAAP):   |                    |                             |                 |                  |   |
| Last FY State Aid Payment not recognized on GAAP basis  |                    |                             |                 | (3,291,397.00)   |   |
| Fund Balance per Governmental Funds (GAAP)  |                    |                             |                 | \$ 12,312,352.95 |   |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget | Budget<br>Modifications | Final<br>Budget | Actual       | Variance<br>Positive (Negative)<br>Final to Actual |
|--|--------------------|-------------------------|-----------------|--------------|--|
| <b>REVENUES:</b>                                   |                    |                         |                 |              |  |
| Local Sources:                                     |                    |                         |                 |              |  |
| Revenue from Local Sources                         | \$ -               | \$ 536,190.50           | \$ 536,190.50   | \$ 71,021.41 | \$ (465,169.09)                                    |
| Total - Local Sources                              | -                  | 536,190.50              | 536,190.50      | 71,021.41    | (465,169.09)                                       |
| State Sources:                                     |                    |                         |                 |              |  |
| Compensatory Education                             |                    | 159,984.00              | 159,984.00      | 156,425.00   | (3,559.00)   |
| Transportation                                     |                    | 20,392.00               | 20,392.00       | 20,143.00    | (249.00)   |
| Home Instruction                                   |                    | 7,089.97                | 7,089.97        | 6,907.00     | (182.97)   |
| Nonpublic Textbooks                                |                    | 28,721.00               | 28,721.00       | 28,385.00    | (336.00)   |
| Nonpublic Auxiliary                                |                    | 863.00                  | 863.00          |              | (863.00)   |
| Nonpublic Security                                 |                    | 12,575.00               | 12,575.00       | 12,514.00    | (61.00)  |
| Nonpublic Technology                               |                    | 13,078.00               | 13,078.00       | 12,853.00    | (225.00)   |
| Nonpublic Handicapped Services                     |                    | 186,501.00              | 186,501.00      | 178,912.00   | (7,589.00)   |
| Nonpublic Nursing Services                         |                    | 45,270.00               | 45,270.00       | 45,270.00    |  |
| Total - State Sources                              | -                  | 474,473.97              | 474,473.97      | 461,409.00   | (13,064.97)  |
| Federal Sources:                                   |                    |                         |                 |              |  |
| Title I  | 478,890.85         | 293,993.47              | 772,884.32      | 619,982.00   | (152,902.32)                                       |
| Title II   | 174,683.50         | 81,853.83               | 256,537.33      | 169,509.00   | (87,028.33)  |
| Title III  | 9,341.50           | 8,010.50                | 17,352.00       | 10,116.00    | (7,236.00)   |
| Title III - Immigrant                              | 4,842.45           | (270.45)                | 4,572.00        | 3,580.00     | (992.00)   |
| I.D.E.A.   | 1,261,764.65       | 716,094.25              | 1,977,858.90    | 1,790,614.00 | (187,244.90)                                       |
| Carl D. Perkins Vocational and Technical Education |                    | 32,063.00               | 32,063.00       | 32,063.00    |  |
| Total - Federal Sources                            | 1,929,522.95       | 1,131,744.60            | 3,061,267.55    | 2,625,864.00 | (435,403.55)                                       |
| Total Revenues                                     | 1,929,522.95       | 2,142,409.07            | 4,071,932.02    | 3,158,294.41 | (913,637.61)                                       |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2016

|  | Original<br>Budget  | Budget<br>Modifications | Final<br>Budget     | Actual              | Variance<br>Positive (Negative)<br>Final to Actual |
|--|---------------------|-------------------------|---------------------|---------------------|--|
| <b>EXPENDITURES:</b>   |                     |                         |                     |                     |  |
| Instruction:   |                     |                         |                     |                     |  |
| Salaries   | \$ 653,574.35       | \$ (32,538.60)          | \$ 621,035.75       | \$ 580,299.66       | \$ 40,736.09                                       |
| Other Purchased Services   |                     | 6,551.00                | 6,551.00            | 6,329.93            | 221.07   |
| Tuition  |                     | 790,672.00              | 790,672.00          | 790,672.00          |  |
| General Supplies   | 61,732.95           | 194,266.90              | 255,999.85          | 62,638.33           | 193,361.52   |
| Textbooks  |                     | 28,721.00               | 28,721.00           | 28,385.00           | 336.00   |
| Misc Expenditures  |                     | 386,329.97              | 386,329.97          | 376,260.30          | 10,069.67  |
| <b>Total Instruction</b>   | <b>715,307.30</b>   | <b>1,374,002.27</b>     | <b>2,089,309.57</b> | <b>1,844,585.22</b> | <b>244,724.35</b>                                  |
| Support Services:  |                     |                         |                     |                     |  |
| Salaries   | 1,214,215.65        | (655,444.37)            | 558,771.28          | 555,477.41          | 3,293.87   |
| Personnel Services-Employee Benefits                             |                     | 431,182.75              | 431,182.75          | 248,634.69          | 182,548.06   |
| Other Professional Services                                      |                     | 427,907.22              | 427,907.22          | 332,126.40          | 95,780.82  |
| Other Purchased Services   |                     | 280,567.05              | 280,567.05          | 74,678.30           | 205,888.75   |
| General Supplies   |                     | 196,210.79              | 196,210.79          | 35,791.99           | 160,418.80   |
| Misc Expenditures  |                     | 75,496.36               | 75,496.36           | 61,015.40           | 14,480.96  |
| <b>Total Support Services</b>                                    | <b>1,214,215.65</b> | <b>755,919.80</b>       | <b>1,970,135.45</b> | <b>1,307,724.19</b> | <b>662,411.26</b>                                  |
| Facilities Acquisition and Construction Services:                |                     |                         |                     |                     |  |
| Construction Services  |                     | 5,899.00                | 5,899.00            | 2,035.00            | 3,864.00   |
| Buildings  |                     | 6,588.00                | 6,588.00            | 3,950.00            | 2,638.00   |
| <b>Total Expenditures</b>  | <b>1,929,522.95</b> | <b>2,142,409.07</b>     | <b>4,071,932.02</b> | <b>3,158,294.41</b> | <b>913,637.61</b>                                  |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>\$ -</b>         | <b>\$ -</b>             | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>  |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2016

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

|  | General<br>Fund         | Special<br>Revenue<br>Fund |
|--|-------------------------|----------------------------|
| Sources / Inflows of Resources:  |                         |                            |
| Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules  | \$ 90,860,941.08        | \$ 3,158,294.41            |
| Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.   |                         | 23,903.09                  |
| Differences - Budget to GAAP:  |                         |                            |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.   |                         | (2,737.23)                 |
| The last two 2014-15 State aid payments were recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense. | 3,277,881.00            |                            |
| The last two 2015-16 State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.  | <u>(3,291,397.00)</u>   |                            |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds   | <u>\$ 90,847,425.08</u> | <u>\$ 3,179,460.27</u>     |
| Uses / Outflows of Resources:  |                         |                            |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule   | \$ 89,442,962.73        | \$ 3,158,294.41            |
| Differences - Budget to GAAP:  |                         |                            |
| Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.               |                         | <u>(2,737.23)</u>          |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)   | <u>\$ 89,442,962.73</u> | <u>\$ 3,155,557.18</u>     |

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

|  | <u>Measurement Date Ending June 30,</u> |                  |                  |
|--|---|------------------|------------------|
|  | <u>2015</u>                             | <u>2014</u>      | <u>2013</u>      |
| School District's Proportion of the Net Pension Liability  | 0.0716568815%                           | 0.0707118145%    | 0.0697338080%    |
| School District's Proportionate Share of the Net Pension Liability   | \$ 16,085,534.00                        | \$ 13,239,186.00 | \$ 13,327,516.00 |
| School District's Covered Payroll (Plan Measurement Period)  | \$ 5,282,948.00                         | \$ 5,301,328.00  | \$ 5,220,680.00  |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll | 304.48%                                 | 249.73%          | 255.28%          |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 47.93%                                  | 52.08%           | 48.72%           |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Three Fiscal Years

|  | <b>Fiscal Year Ended June 30,</b> |                     |                     |
|--|-----------------------------------|---------------------|---------------------|
|  | <b><u>2016</u></b>                | <b><u>2015</u></b>  | <b><u>2014</u></b>  |
| Contractually Required Contribution                                  | \$ 641,578.00                     | \$ 616,057.00       | \$ 582,938.00       |
| Contributions in Relation to the Contractually Required Contribution | <u>(641,578.00)</u>               | <u>(616,057.00)</u> | <u>(582,938.00)</u> |
| Contribution Deficiency (Excess)                                     | <u>\$ -</u>                       | <u>\$ -</u>         | <u>\$ -</u>         |
| School District's Covered Payroll (Fiscal Year)                      | \$ 4,903,183.00                   | \$ 4,960,025.00     | \$ 4,915,697.00     |
| Contributions as a Percentage of School District's Covered Payroll   | 13.08%                            | 12.42%              | 11.86%              |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Three Fiscal Years

|   | <u>Measurement Date Ending June 30,</u> |                         |                         |
|---|---|-------------------------|-------------------------|
|   | <u>2015</u>                             | <u>2014</u>             | <u>2013</u>             |
| School District's Proportion of the Net Pension Liability   | 0.00%                                   | 0.00%                   | 0.00%                   |
| State's Proportion of the Net Pension Liability<br>Associated with the School District                        | <u>100.00%</u>                          | <u>100.00%</u>          | <u>100.00%</u>          |
|   | <u>100.00%</u>                          | <u>100.00%</u>          | <u>100.00%</u>          |
| School District's Proportionate Share of the Net Pension Liability  | \$ -                                    | \$ -                    | \$ -                    |
| State's Proportionate Share of the Net Pension Liability<br>Associated with the School District               | <u>207,424,336.00</u>                   | <u>176,359,592.00</u>   | <u>161,579,903.00</u>   |
|   | <u>\$ 207,424,336.00</u>                | <u>\$ 28,929,452.00</u> | <u>\$ 28,929,452.00</u> |
| School District's Covered Payroll (Plan Measurement Period)   | \$ 39,502,564.00                        | \$ 38,128,396.00        | \$ 37,720,504.00        |
| School District's Proportionate Share of the Net Pension<br>Liability as a Percentage of it's Covered Payroll | 0.00%                                   | 0.00%                   | 0.00%                   |
| State's Proportionate Share of the Net Pension<br>Liability as a Percentage of it's Covered Payroll           | 525.09%                                 | 462.54%                 | 428.36%                 |
| Plan Fiduciary Net Position as a Percentage of the Total<br>Pension Liability                                 | 28.71%                                  | 33.64%                  | 33.76%                  |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

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

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Funding Progress for the OPEB Plan

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| <u>Actuarial Valuation</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability - (AAL) Entry Age</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|----------------------------|----------------------------------|--|----------------------------|---------------------|------------------------|--|
| 6/30/2015                  | \$ 0                             | \$14,518,000   | \$ 15,284,000              | 0 %                 | \$ 383,000             | 3990.60%                                       |
| 6/30/2014                  | \$ 0                             | \$16,649,000   | \$ 17,579,000              | 0 %                 | \$ 372,000             | 4725.54%                                       |

## Exhibit L-6

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Employer Contributions to the OPEB Plan

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| <u>Year Ended June 30,</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage of ARC Contributed</u> |
|----------------------------|---|--------------------------------------|
| 2016                       | \$ 949,000                                | 73.55%                               |
| 2015                       | 949,000                                   | 82.51%                               |
| 2014                       | 1,065,000                                 | 88.36%                               |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2016

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**Note 1: POSTEMPLOYMENT BENEFITS - PENSION****Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**Note 2: OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE**

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

|                               |                                    |
|-------------------------------|------------------------------------|
| Valuation Date                | June 30, 2015                      |
| Actuarial Cost Method         | Entry Age Normal                   |
| Amortization Method           | Level percent open                 |
| Remaining Amortization Period | 22 years                           |
| Asset Valuation Method        | N/A                                |
| Actuarial Assumptions:        |                                    |
| Discount Rate                 | 4.50%                              |
| Health Care Cost Rates:       |                                    |
| Medical                       | 6.0% grading to 5.0% over 10 years |
| Prescription Drug             | 11.0% grading to 5.0% over 9 years |
| Dental                        | 4.00%                              |

For determining the ARC, the rate of employer contributions to the Authority Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

|   |                               |
|---|-------------------------------|
| <b>REVENUES:</b>                                      |                               |
| Local Sources   | \$ 71,021.41                  |
| State Sources   | 461,409.00                    |
| Federal Sources                                       | <u>2,625,864.00</u>           |
| Total Revenues  | <u><u>\$ 3,158,294.41</u></u> |
| <br><b>EXPENDITURES:</b>                              |                               |
| Instruction:  |                               |
| Salaries of Teachers                                  | \$ 580,299.66                 |
| Other Purchased Services                              | 6,329.93                      |
| Tuition   | 790,672.00                    |
| General Supplies                                      | 62,638.33                     |
| Textbooks   | 28,385.00                     |
| Misc Expenditure                                      | <u>376,260.30</u>             |
| Total Instruction                                     | <u>1,844,585.22</u>           |
| <br>Support Services:                                 |                               |
| Salaries  | 555,477.41                    |
| Personnel Services-Employee Benefits                  | 248,634.69                    |
| Other Professional Services                           | 332,126.40                    |
| Other Purchased Services                              | 74,678.30                     |
| General Supplies                                      | 35,791.99                     |
| Misc Expenditure                                      | <u>61,015.40</u>              |
| Total Support Services                                | <u>1,307,724.19</u>           |
| <br>Facilities Acquisition and Construction Services: |                               |
| Instructional Equipment                               | <u>5,985.00</u>               |
| Total Expenditures                                    | <u><u>\$ 3,158,294.41</u></u> |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

|   | NCLB                   |                                |                                 |                        |                                     | Total<br>Brought<br>Forward |
|---|------------------------|--------------------------------|---------------------------------|------------------------|-------------------------------------|-----------------------------|
|   | Total                  | Title I<br>Part A<br>2015-2016 | Title II<br>Part A<br>2015-2016 | Title III<br>2015-2016 | Title III<br>Immigrant<br>2015-2016 |                             |
| <b>REVENUES:</b>                                  |                        |                                |                                 |                        |                                     |                             |
| Local Sources                                     | \$ 71,021.41           |                                |                                 |                        |                                     | \$ 71,021.41                |
| State Sources                                     | 461,409.00             |                                |                                 |                        |                                     | 461,409.00                  |
| Federal Sources                                   | 2,625,864.00           | \$ 619,982.00                  | \$ 169,509.00                   | \$ 10,116.00           | \$ 3,580.00                         | 1,822,677.00                |
| <b>Total Revenues</b>                             | <b>\$ 3,158,294.41</b> | <b>\$ 619,982.00</b>           | <b>\$ 169,509.00</b>            | <b>\$ 10,116.00</b>    | <b>\$ 3,580.00</b>                  | <b>\$ 2,355,107.41</b>      |
| <b>EXPENDITURES:</b>                              |                        |                                |                                 |                        |                                     |                             |
| Instruction:                                      |                        |                                |                                 |                        |                                     |                             |
| Salaries of Teachers                              | \$ 580,299.66          | \$ 490,926.98                  | \$ 80,818.13                    |                        |                                     | \$ 8,554.55                 |
| Other Purchased Services                          | 6,329.93               | 2,211.00                       |                                 |                        |                                     | 4,118.93                    |
| Tuition   | 790,672.00             |                                |                                 |                        |                                     | 790,672.00                  |
| General Supplies                                  | 62,638.33              | 6,700.26                       |                                 | \$ 2,280.74            | \$ 2,780.70                         | 50,876.63                   |
| Textbooks   | 28,385.00              |                                |                                 |                        |                                     | 28,385.00                   |
| Misc Expenditure                                  | 376,260.30             |                                |                                 |                        |                                     | 376,260.30                  |
| <b>Total Instruction</b>                          | <b>1,844,585.22</b>    | <b>499,838.24</b>              | <b>80,818.13</b>                | <b>2,280.74</b>        | <b>2,780.70</b>                     | <b>1,258,867.41</b>         |
| Support Services:                                 |                        |                                |                                 |                        |                                     |                             |
| Salaries  | 555,477.41             | 132.00                         |                                 | 5,841.00               | 742.50                              | 548,761.91                  |
| Personnel Services-Employee Benefits              | 248,634.69             | 118,811.76                     | 20,156.06                       | 446.84                 | 56.80                               | 109,163.23                  |
| Other Professional Services                       | 332,126.40             |                                | 59,083.00                       |                        |                                     | 273,043.40                  |
| Other Purchased Services                          | 74,678.30              |                                | 2,500.00                        | 1,547.42               |                                     | 70,630.88                   |
| General Supplies                                  | 35,791.99              | 1,200.00                       | 6,951.81                        |                        |                                     | 27,640.18                   |
| Misc Expenditure                                  | 61,015.40              |                                |                                 |                        |                                     | 61,015.40                   |
| <b>Total Support Services</b>                     | <b>1,307,724.19</b>    | <b>120,143.76</b>              | <b>88,690.87</b>                | <b>7,835.26</b>        | <b>799.30</b>                       | <b>1,090,255.00</b>         |
| Facilities Acquisition and Construction Services: |                        |                                |                                 |                        |                                     |                             |
| Instructional Equipment                           | 5,985.00               | -                              | -                               | -                      | -                                   | 5,985.00                    |
| <b>Total Expenditures</b>                         | <b>\$ 3,158,294.41</b> | <b>\$ 619,982.00</b>           | <b>\$ 169,509.00</b>            | <b>\$ 10,116.00</b>    | <b>\$ 3,580.00</b>                  | <b>\$ 2,355,107.41</b>      |

(Continued)



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

|   | Total<br>Carried<br>Forward | I.D.E.A.               |                        | Carl D.<br>Perkins<br>Grant | N.J.<br>Nonpublic<br>Nursing | N.J.<br>Nonpublic<br>Textbook<br>Aid, Ch. 194,<br>L. 1979 | Total<br>Brought<br>Forward |
|---|-----------------------------|------------------------|------------------------|-----------------------------|------------------------------|---|-----------------------------|
|   |                             | Basic<br>2015-2016     | Preschool<br>2015-2016 |                             |                              |   |                             |
| <b>REVENUES:</b>                                  |                             |                        |                        |                             |                              |   |                             |
| Local Sources                                     | \$ 71,021.41                |                        |                        |                             |                              |   | \$ 71,021.41                |
| State Sources                                     | 461,409.00                  |                        |                        |                             | \$ 45,270.00                 | \$ 28,385.00  | 387,754.00                  |
| Federal Sources                                   | 1,822,677.00                | \$ 1,715,968.00        | \$ 74,646.00           | \$ 32,063.00                |                              |   |                             |
| <b>Total Revenues</b>                             | <b>\$ 2,355,107.41</b>      | <b>\$ 1,715,968.00</b> | <b>\$ 74,646.00</b>    | <b>\$ 32,063.00</b>         | <b>\$ 45,270.00</b>          | <b>\$ 28,385.00</b>                                       | <b>\$ 458,775.41</b>        |
| <b>EXPENDITURES:</b>                              |                             |                        |                        |                             |                              |   |                             |
| Instruction:                                      |                             |                        |                        |                             |                              |   |                             |
| Salaries of Teachers                              | \$ 8,554.55                 |                        |                        | \$ 927.00                   |                              |   | \$ 7,627.55                 |
| Other Purchased Services                          | 4,118.93                    | \$ 3,178.93            |                        | 940.00                      |                              |   |                             |
| Tuition   | 790,672.00                  | 754,252.00             | \$ 36,420.00           |                             |                              |   |                             |
| General Supplies                                  | 50,876.63                   | 11,035.90              | 18,102.26              | 20,272.54                   |                              |   | 1,465.93                    |
| Textbooks   | 28,385.00                   |                        |                        |                             |                              | \$ 28,385.00  |                             |
| Misc Expenditure                                  | 376,260.30                  | 621.00                 | 399.30                 |                             |                              |   | 375,240.00                  |
| <b>Total Instruction</b>                          | <b>1,258,867.41</b>         | <b>769,087.83</b>      | <b>54,921.56</b>       | <b>22,139.54</b>            | <b>\$ -</b>                  | <b>28,385.00</b>  | <b>384,333.48</b>           |
| Support Services:                                 |                             |                        |                        |                             |                              |   |                             |
| Salaries  | 548,761.91                  | 548,761.91             |                        |                             |                              |   |                             |
| Personnel Services-Employee Benefits              | 109,163.23                  | 109,092.31             |                        | 70.92                       |                              |   |                             |
| Other Professional Services                       | 273,043.40                  | 259,652.65             | 12,283.75              |                             |                              |   | 1,107.00                    |
| Other Purchased Services                          | 70,630.88                   | 5,956.75               | 690.43                 | 9,595.00                    |                              |   | 54,388.70                   |
| General Supplies                                  | 27,640.18                   | 19,466.55              | 6,750.26               | 257.54                      |                              |   | 1,165.83                    |
| Misc Expenditure                                  | 61,015.40                   |                        |                        |                             | 45,270.00                    |   | 15,745.40                   |
| <b>Total Support Services</b>                     | <b>1,090,255.00</b>         | <b>942,930.17</b>      | <b>19,724.44</b>       | <b>9,923.46</b>             | <b>45,270.00</b>             | <b>-</b>  | <b>72,406.93</b>            |
| Facilities Acquisition and Construction Services: |                             |                        |                        |                             |                              |   |                             |
| Instructional Equipment                           | 5,985.00                    | 3,950.00               | -                      | -                           | -                            | -   | 2,035.00                    |
| <b>Total Expenditures</b>                         | <b>\$ 2,355,107.41</b>      | <b>\$ 1,715,968.00</b> | <b>\$ 74,646.00</b>    | <b>\$ 32,063.00</b>         | <b>\$ 45,270.00</b>          | <b>\$ 28,385.00</b>                                       | <b>\$ 458,775.41</b>        |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

|   | Total<br>Carried<br>Forward | N.J.<br>Nonpublic<br>Technology | N.J.<br>Nonpublic<br>Security | N.J. Nonpublic Auxiliary<br>Services, Ch. 192, L.1977 |                     |                     | Total<br>Brought<br>Forward |
|---|-----------------------------|---------------------------------|-------------------------------|---|---------------------|---------------------|-----------------------------|
|   |                             |                                 |                               | Compensatory<br>Education                             | Home<br>Instruction | Transportation      |                             |
| <b>REVENUES:</b>                                  |                             |                                 |                               |   |                     |                     |                             |
| Local Sources                                     | \$ 71,021.41                |                                 |                               |   |                     |                     | \$ 71,021.41                |
| State Sources                                     | 387,754.00                  | \$ 12,853.00                    | \$ 12,514.00                  | \$ 156,425.00   | \$ 6,907.00         | \$ 20,143.00        | 178,912.00                  |
| Federal Sources                                   |                             |                                 |                               |   |                     |                     |                             |
| <b>Total Revenues</b>                             | <b>\$ 458,775.41</b>        | <b>\$ 12,853.00</b>             | <b>\$ 12,514.00</b>           | <b>\$ 156,425.00</b>                                  | <b>\$ 6,907.00</b>  | <b>\$ 20,143.00</b> | <b>\$ 249,933.41</b>        |
| <b>EXPENDITURES:</b>                              |                             |                                 |                               |   |                     |                     |                             |
| Instruction:                                      |                             |                                 |                               |   |                     |                     |                             |
| Salaries of Teachers                              | \$ 7,627.55                 |                                 |                               |   |                     |                     | \$ 7,627.55                 |
| Other Purchased Services                          |                             |                                 |                               |   |                     |                     |                             |
| Tuition   |                             |                                 |                               |   |                     |                     |                             |
| General Supplies                                  | 1,465.93                    |                                 |                               |   |                     |                     | 1,465.93                    |
| Textbooks   |                             |                                 |                               |   |                     |                     |                             |
| Misc Expenditure                                  | 375,240.00                  | \$ 12,853.00                    |                               | \$ 156,425.00   | \$ 6,907.00         | \$ 20,143.00        | 178,912.00                  |
| <b>Total Instruction</b>                          | <b>384,333.48</b>           | <b>12,853.00</b>                | <b>\$ -</b>                   | <b>156,425.00</b>                                     | <b>6,907.00</b>     | <b>20,143.00</b>    | <b>188,005.48</b>           |
| Support Services:                                 |                             |                                 |                               |   |                     |                     |                             |
| Salaries  |                             |                                 |                               |   |                     |                     |                             |
| Personnel Services-Employee Benefits              |                             |                                 |                               |   |                     |                     |                             |
| Other Professional Services                       | 1,107.00                    |                                 |                               |   |                     |                     | 1,107.00                    |
| Other Purchased Services                          | 54,388.70                   |                                 |                               |   |                     |                     | 54,388.70                   |
| General Supplies                                  | 1,165.83                    |                                 |                               |   |                     |                     | 1,165.83                    |
| Misc Expenditure                                  | 15,745.40                   |                                 | 12,514.00                     |   |                     |                     | 3,231.40                    |
| <b>Total Support Services</b>                     | <b>72,406.93</b>            | <b>-</b>                        | <b>12,514.00</b>              | <b>-</b>  | <b>-</b>            | <b>-</b>            | <b>59,892.93</b>            |
| Facilities Acquisition and Construction Services: |                             |                                 |                               |   |                     |                     |                             |
| Instructional Equipment                           | 2,035.00                    | -                               | -                             | -   | -                   | -                   | 2,035.00                    |
| <b>Total Expenditures</b>                         | <b>\$ 458,775.41</b>        | <b>\$ 12,853.00</b>             | <b>\$ 12,514.00</b>           | <b>\$ 156,425.00</b>                                  | <b>\$ 6,907.00</b>  | <b>\$ 20,143.00</b> | <b>\$ 249,933.41</b>        |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures -- Budgetary Basis  
For the Fiscal Year Ended June 30, 2016

|   | Total<br>Carried<br>Forward | N.J. Handicapped Services, Ch. 193, L.1977 |                                      |                             | Local<br>Sources &<br>Grants |
|---|-----------------------------|--|--------------------------------------|-----------------------------|------------------------------|
|   |                             | Corrective<br>Speech                       | Examination<br>and<br>Classification | Supplemental<br>Instruction |                              |
| REVENUES:   |                             |  |                                      |                             |                              |
| Local Sources                                     | \$ 71,021.41                |  |                                      |                             | \$ 71,021.41                 |
| State Sources                                     | 178,912.00                  | \$ 62,198.00                               | \$ 67,852.00                         | \$ 48,862.00                |                              |
| Federal Sources                                   |                             |  |                                      |                             |                              |
| <b>Total Revenues</b>                             | <b>\$ 249,933.41</b>        | <b>\$ 62,198.00</b>                        | <b>\$ 67,852.00</b>                  | <b>\$ 48,862.00</b>         | <b>\$ 71,021.41</b>          |
| EXPENDITURES:                                     |                             |  |                                      |                             |                              |
| Instruction:                                      |                             |  |                                      |                             |                              |
| Salaries of Teachers                              | \$ 7,627.55                 |  |                                      |                             | \$ 7,627.55                  |
| Other Purchased Services                          |                             |  |                                      |                             |                              |
| Tuition   |                             |  |                                      |                             |                              |
| General Supplies                                  | 1,465.93                    |  |                                      |                             | 1,465.93                     |
| Textbooks   |                             |  |                                      |                             |                              |
| Misc Expenditure                                  | 178,912.00                  | \$ 62,198.00                               | \$ 67,852.00                         | \$ 48,862.00                |                              |
| <b>Total Instruction</b>                          | <b>188,005.48</b>           | <b>62,198.00</b>                           | <b>67,852.00</b>                     | <b>48,862.00</b>            | <b>9,093.48</b>              |
| Support Services:                                 |                             |  |                                      |                             |                              |
| Salaries  |                             |  |                                      |                             |                              |
| Personnel Services-Employee Benefits              |                             |  |                                      |                             |                              |
| Other Professional Services                       | 1,107.00                    |  |                                      |                             | 1,107.00                     |
| Other Purchased Services                          | 54,388.70                   |  |                                      |                             | 54,388.70                    |
| General Supplies                                  | 1,165.83                    |  |                                      |                             | 1,165.83                     |
| Misc Expenditure                                  | 3,231.40                    |  |                                      |                             | 3,231.40                     |
| <b>Total Support Services</b>                     | <b>59,892.93</b>            | <b>-</b>                                   | <b>-</b>                             | <b>-</b>                    | <b>59,892.93</b>             |
| Facilities Acquisition and Construction Services: |                             |  |                                      |                             |                              |
| Instructional Equipment                           | 2,035.00                    |  |                                      |                             | 2,035.00                     |
| <b>Total Expenditures</b>                         | <b>\$ 249,933.41</b>        | <b>\$ 62,198.00</b>                        | <b>\$ 67,852.00</b>                  | <b>\$ 48,862.00</b>         | <b>\$ 71,021.41</b>          |

**CAPITAL PROJECTS FUND**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Statement of Project Expenditures  
 For the Fiscal Year Ended June 30, 2016

| Project Title  | Original Date | Appropriation          | Expenditures to Date |                      | Total Expenditures     | Unexpended Balance June 30, 2016 |
|--|---------------|------------------------|----------------------|----------------------|------------------------|----------------------------------|
|  |               |                        | Prior Years          | Current Year         |                        |                                  |
| (a) Acquisition and Renovation of an Administration Building | 06/27/13      | \$ 1,000,000.00        | \$ 670,914.94        | \$ 247,780.01        | \$ 918,694.95          | \$ 81,305.05                     |
| (b) Oak Knoll Unit Ventilator Replacement                    | 11/28/14      | 598,001.00             | 230,912.50           | 352,280.96           | 583,193.46             | 14,807.54                        |
| (c) High School Window Replacement                           | 09/18/14      | 400,000.00             |                      |                      |                        | 400,000.00                       |
|  |               | <u>\$ 1,998,001.00</u> | <u>\$ 901,827.44</u> | <u>\$ 600,060.97</u> | <u>\$ 1,501,888.41</u> | <u>\$ 496,112.59</u>             |

**RECONCILIATION TO GOVERNMENTAL FUNDS STATEMENTS (GAAP):**

|  |                      |
|--|----------------------|
| Unexpended Balance as of June 30, 2016         | \$ 496,112.59        |
| SDA Grant Revenue Not Recognized on GAAP Basis | <u>(27,853.09)</u>   |
| Fund Balance per Governmental Funds (GAAP)     | <u>\$ 468,259.50</u> |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2016

**REVENUES AND OTHER FINANCING SOURCES:**

|                               |               |
|-------------------------------|---------------|
| Transfer from Capital Reserve | \$ 400,000.00 |
|-------------------------------|---------------|

**EXPENDITURES AND OTHER FINANCING USES:**

|   |               |  |
|---|---------------|--|
| Purchased Professional and Technical Services | \$ 21,681.00  |  |
| Purchased Property and Construction Services  | 577,754.97    |  |
| Acquisition of Property                       | <u>625.00</u> |  |

|                    |                   |
|--------------------|-------------------|
| Total Expenditures | <u>600,060.97</u> |
|--------------------|-------------------|

|   |              |
|---|--------------|
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (200,060.97) |
|---|--------------|

|                        |                   |
|------------------------|-------------------|
| Fund Balance -- July 1 | <u>696,173.56</u> |
|------------------------|-------------------|

|                         |                             |
|-------------------------|-----------------------------|
| Fund Balance -- June 30 | <u><u>\$ 496,112.59</u></u> |
|-------------------------|-----------------------------|

**RECONCILIATION TO GOVERNMENTAL FUNDS STATEMENTS (GAAP):**

|  |                    |
|--|--------------------|
| Unexpended Balance as of June 30, 2016         | \$ 496,112.59      |
| SDA Grant Revenue Not Recognized on GAAP Basis | <u>(27,853.09)</u> |

|  |                             |
|--|-----------------------------|
| Fund Balance per Governmental Funds (GAAP) | <u><u>\$ 468,259.50</u></u> |
|--|-----------------------------|

**TOWNSHIP OF MONROE SCHOOL DISTRICT**

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Acquisition and Renovation of an Administration Building

From Inception and for the Fiscal Year Ended June 30, 2016

|  | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u>       | Revised<br>Authorized<br><u>Cost</u> |
|--|--------------------|---------------------|---------------------|--------------------------------------|
| <b>REVENUES AND OTHER FINANCING SOURCES:</b>                 |                    |                     |                     |                                      |
| Transfer from Capital Reserve                                | \$ 1,000,000.00    |                     | \$ 1,000,000.00     | \$ 1,000,000.00                      |
| Total Revenues   | 1,000,000.00       | \$ -                | 1,000,000.00        | 1,000,000.00                         |
| <b>EXPENDITURES AND OTHER FINANCING USES:</b>                |                    |                     |                     |                                      |
| Purchased Professional and Technical Services                | 33,163.37          | 13,306.00           | 46,469.37           | 56,000.00                            |
| Purchased Property and Construction Services                 | 12,411.50          | 233,849.01          | 246,260.51          | 314,300.00                           |
| Supplies and Material  | 83.38              |                     | 83.38               | 100.00                               |
| Acquisition of Property                                      | 625,256.69         | 625.00              | 625,881.69          | 629,600.00                           |
| Total Expenditures   | 670,914.94         | 247,780.01          | 918,694.95          | 1,000,000.00                         |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | \$ 329,085.06      | \$ (247,780.01)     | \$ 81,305.05        | \$ -                                 |
| Encumbered   |                    |                     | \$ 26,448.99        |                                      |
| Designated for Subsequent Years Expenditures                 |                    |                     | 54,856.06           |                                      |
|  |                    |                     | <u>\$ 81,305.05</u> |                                      |

**ADDITIONAL PROJECT INFORMATION:**

|   |                 |
|---|-----------------|
| Project Number                                    | N/A             |
| Grant Date  | N/A             |
| Bond Authorization Date                           | N/A             |
| Bonds Authorized                                  | N/A             |
| Bonds Issued                                      | N/A             |
| Original Authorized Cost                          | \$ 1,000,000.00 |
| Additional Authorized Cost                        | -               |
| Revised Authorized Cost                           | 1,000,000.00    |
| Estimated Completion Date                         | 6/30/2017       |
| Percentage Increase over Original Authorized Cost | 0.00%           |
| Percentage Completion                             | 91.87%          |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Oak Knoll Unit Ventilator Replacement

From Inception and for the Fiscal Year Ended June 30, 2016

|  | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u>       | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|--------------------|---------------------|---------------------|--|
| <b>REVENUES AND OTHER FINANCING SOURCES:</b>                 |                    |                     |                     |  |
| Transfer from Capital Reserve                                | \$ 250,000.00      |                     | \$ 250,000.00       | \$ 250,000.00                          |
| Transfer from Capital Outlay                                 | 22,730.00          |                     | 22,730.00           | 22,730.00                              |
| State Sources  | 325,271.00         |                     | 325,271.00          | 325,271.00                             |
| <br>   |                    |                     |                     |  |
| Total Revenues   | \$ 598,001.00      | \$ -                | 598,001.00          | 598,001.00                             |
| <br><b>EXPENDITURES AND OTHER FINANCING USES:</b>            |                    |                     |                     |  |
| Purchased Professional and Technical Services                |                    | 8,375.00            | 8,375.00            | 8,375.00                               |
| Purchased Property and Construction Services                 | 230,912.50         | 343,905.96          | 574,818.46          | 589,626.00                             |
| <br>   |                    |                     |                     |  |
| Total Expenditures   | 230,912.50         | 352,280.96          | 583,193.46          | 598,001.00                             |
| <br>   |                    |                     |                     |  |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | \$ 367,088.50      | \$ (352,280.96)     | \$ 14,807.54        | \$ -                                   |
| <br>   |                    |                     |                     |  |
| Designated for Subsequent Years Expenditures                 |                    |                     | <u>\$ 14,807.54</u> |  |

**ADDITIONAL PROJECT INFORMATION:**

|   |                  |
|---|------------------|
| Project Number                                    | 3280-090-13-1006 |
| Grant Date  | 11/28/2014       |
| Bond Authorization Date                           | N/A              |
| Bonds Authorized                                  | N/A              |
| Bonds Issued                                      | N/A              |
| Original Authorized Cost                          | \$ 598,001.00    |
| Additional Authorized Cost                        | -                |
| Revised Authorized Cost                           | 598,001.00       |
| Estimated Completion Date                         | 12/31/2016       |
| Percentage Increase over Original Authorized Cost | 0.00%            |
| Percentage Completion                             | 97.52%           |



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 High School Window Replacement  
 From Inception and for the Fiscal Year Ended June 30, 2016

|  | <u>Prior Years</u> | <u>Current Year</u> | <u>Totals</u>        | <u>Revised<br/>Authorized<br/>Cost</u> |
|--|--------------------|---------------------|----------------------|--|
| <b>REVENUES AND OTHER FINANCING SOURCES:</b>                 |                    |                     |                      |  |
| Transfer from Capital Reserve                                |                    | \$ 400,000.00       | \$ 400,000.00        | \$ 400,000.00                          |
| State Sources  |                    |                     |                      | 452,333.00                             |
|  | <hr/>              |                     |                      |  |
| Total Revenues   | \$ -               | 400,000.00          | 400,000.00           | 852,333.00                             |
| <hr/>  |                    |                     |                      |  |
| <b>EXPENDITURES AND OTHER FINANCING USES:</b>                |                    |                     |                      |  |
| Purchased Property and Construction Services                 |                    |                     |                      | 852,333.00                             |
|  | <hr/>              |                     |                      |  |
| Total Expenditures   | -                  | -                   |                      | 852,333.00                             |
|  | <hr/>              |                     |                      |  |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | \$ -               | \$ 400,000.00       | \$ 400,000.00        | \$ -                                   |
|  | <hr/>              |                     |                      |  |
| Designated for Subsequent Years Expenditures                 |                    |                     | <u>\$ 400,000.00</u> |  |

**ADDITIONAL PROJECT INFORMATION:**

|   |               |
|---|---------------|
| Project Number                                    | N/A           |
| Grant Date  | N/A           |
| Bond Authorization Date                           | N/A           |
| Bonds Authorized                                  | N/A           |
| Bonds Issued                                      | N/A           |
| Original Authorized Cost                          | \$ 852,333.00 |
| Additional Authorized Cost                        | -             |
| Revised Authorized Cost                           | 852,333.00    |
| Estimated Completion Date                         | 6/30/2017     |
| Percentage Increase over Original Authorized Cost | 0.00%         |
| Percentage Completion                             | 100.00%       |

**PROPRIETARY FUNDS**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Statement of Net Position  
As of June 30, 2016

|  | <u>Food<br/>Service</u>       |
|--|-------------------------------|
| <b>ASSETS:</b>                                   |                               |
| Current Assets:                                  |                               |
| Cash and Cash Equivalents                        | \$ 662,474.55                 |
| Intergovernmental Accounts Receivable:           |                               |
| State  | 3,180.81                      |
| Federal  | 155,716.85                    |
| Other Accounts Receivable                        | 38,323.21                     |
| Inventories                                      | <u>27,880.28</u>              |
| Total Current Assets                             | <u>887,575.70</u>             |
| Capital Assets (Net of Accumulated Depreciation) | <u>369,160.00</u>             |
| Total Assets                                     | <u>1,256,735.70</u>           |
| <b>LIABILITIES:</b>                              |                               |
| Current Liabilities:                             |                               |
| Accounts Payable                                 | 137,076.47                    |
| Unearned Revenue                                 | <u>36,332.46</u>              |
| Total Liabilities                                | <u>173,408.93</u>             |
| <b>NET POSITION:</b>                             |                               |
| Net Investment in Capital Assets                 | 369,160.00                    |
| Unrestricted                                     | <u>714,166.77</u>             |
| Total Net Position                               | <u><u>\$ 1,083,326.77</u></u> |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2016

|  | <u>Food<br/>Service</u>       |
|--|-------------------------------|
| <b>OPERATING REVENUES:</b>                     |                               |
| Charges for Services:                          |                               |
| Daily Sales - Reimbursable Programs            | \$ 642,190.24                 |
| Daily Sales - Non- Reimbursable Programs       | <u>511,714.59</u>             |
| Total Operating Revenues                       | <u>1,153,904.83</u>           |
| <b>OPERATING EXPENSES:</b>                     |                               |
| Salaries                                       | 893,450.25                    |
| General Supplies                               | 158,167.83                    |
| Management Fees                                | 134,665.46                    |
| Cost of Sales - Reimbursable Programs          | 840,495.42                    |
| Cost of Sales - Non- Reimbursable Programs     | 189,334.00                    |
| Depreciation                                   | <u>37,955.00</u>              |
| Total Operating Expenses                       | <u>2,254,067.96</u>           |
| Operating Loss                                 | <u>(1,100,163.13)</u>         |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>      |                               |
| Loss on Disposal of Capital Assets             | (1,831.00)                    |
| State Sources:                                 |                               |
| State School Lunch Program                     | 20,926.66                     |
| Federal Sources:                               |                               |
| National School Lunch Program                  | 779,618.44                    |
| National School Breakfast Program              | 205,625.55                    |
| National School Milk Program                   | 5,049.92                      |
| Food Distribution Program                      | <u>170,918.13</u>             |
| Total Non-operating Revenue (Expenses)         | <u>1,180,307.70</u>           |
| Change in Net Position                         | <u>80,144.57</u>              |
| Net Position - Beginning, as originally stated | 901,184.20                    |
| Restatement (See Note 20)                      | <u>101,998.00</u>             |
| Net Position - Beginning, as restated          | <u>1,003,182.20</u>           |
| Net Position - Ending                          | <u><u>\$ 1,083,326.77</u></u> |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

|  | <u>Food<br/>Service</u>  |
|--|--------------------------|
| <b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>                    |                          |
| Receipts from Customers  | \$ 1,163,287.03          |
| Payments to Employees  | (893,450.25)             |
| Payments to Suppliers  | <u>(1,289,847.28)</u>    |
| Net Cash Used in Operating Activities  | <u>(1,020,010.50)</u>    |
| <b>CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES :</b>             |                          |
| Capital Acquisitions   | <u>(57,531.00)</u>       |
| <b>CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:</b>                   |                          |
| State Sources  | 21,703.85                |
| Federal Sources  | 1,167,043.64             |
| Net Cash Provided by Noncapital Financing Activities                             | <u>1,188,747.49</u>      |
| Net Increase in Cash and Cash Equivalents  | 111,205.99               |
| Cash and Cash Equivalents -- July 1  | <u>551,268.56</u>        |
| Cash and Equivalents -- June 30  | <u>\$ 662,474.55</u>     |
| Reconciliation of Operating Loss to Net Cash<br>Used by Operating Activities:    |                          |
| Operating Loss   | \$ (1,100,163.13)        |
| Adjustments to Reconcile Operating Loss to<br>Cash Used in Operating Activities: |                          |
| Depreciation   | 37,955.00                |
| Change in Assets and Liabilities:  |                          |
| (Increase) Decrease in Accounts Receivable                                       | 18,296.62                |
| (Increase) Decrease in Inventory   | 3,280.44                 |
| Increase (Decrease) in Unearned Revenue  | (8,914.42)               |
| Increase (Decrease) in Accounts Payable  | <u>29,534.99</u>         |
| Net Cash Used for Operating Activities   | <u>\$ (1,020,010.50)</u> |

**FIDUCIARY FUNDS**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 As of June 30, 2016

|   | Private Purpose<br>Trust Funds |                      | Agency Funds         |                      | Total                |
|---|--------------------------------|----------------------|----------------------|----------------------|----------------------|
|   | Unemployment<br>Trust          | Scholarship          | Student<br>Activity  | Payroll              |                      |
| <b>ASSETS:</b>                            |                                |                      |                      |                      |                      |
| Cash and Cash Equivalents                 | \$ 275,590.29                  | \$128,970.65         | \$445,560.25         | \$590,176.17         | \$ 1,440,297.36      |
| Due from State                            |                                |                      |                      | 83,646.69            | 83,646.69            |
| Due from Other Funds                      |                                | 13,442.11            |                      |                      | 13,442.11            |
| <b>Total Assets</b>                       | <b>275,590.29</b>              | <b>142,412.76</b>    | <b>\$ 445,560.25</b> | <b>\$ 673,822.86</b> | <b>1,537,386.16</b>  |
| <b>LIABILITIES:</b>                       |                                |                      |                      |                      |                      |
| Due to Other Funds                        |                                |                      | \$ 18,353.72         | \$270,420.40         | 288,774.12           |
| Payable to State                          | 1,352.42                       |                      |                      |                      | 1,352.42             |
| Payroll Deductions and Withholdings       |                                |                      |                      | 403,402.46           | 403,402.46           |
| Payable to Student Groups                 |                                |                      | 427,206.53           |                      | 427,206.53           |
| <b>Total Liabilities</b>                  | <b>1,352.42</b>                | <b>-</b>             | <b>\$ 445,560.25</b> | <b>\$ 673,822.86</b> | <b>1,120,735.53</b>  |
| <b>NET POSITION:</b>                      |                                |                      |                      |                      |                      |
| Restricted for:                           |                                |                      |                      |                      |                      |
| Scholarships                              |                                | 142,412.76           |                      |                      | 142,412.76           |
| Unemployment Claims<br>and Other Purposes | 274,237.87                     |                      |                      |                      | 274,237.87           |
| <b>Total Net Position</b>                 | <b>\$ 274,237.87</b>           | <b>\$ 142,412.76</b> |                      |                      | <b>\$ 416,650.63</b> |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2016

|                                     | <u>Private-Purpose Trust Funds</u> |  |                      |
|-------------------------------------|------------------------------------|--|----------------------|
|                                     | <u>Scholarship</u>                 | <u>Unemployment<br/>Compensation<br/>Insurance</u> | <u>Total</u>         |
| <b>ADDITIONS:</b>                   |                                    |  |                      |
| Local Sources:                      |                                    |  |                      |
| Interest on Investments             | \$ 705.27                          | \$ 1,195.51  | \$ 1,900.78          |
| Donations                           | 43,069.00                          |  | 43,069.00            |
| Deductions from Employees' Salaries |                                    | 70,600.90  | 70,600.90            |
| Total Additions                     | <u>43,774.27</u>                   | <u>71,796.41</u>                                   | <u>115,570.68</u>    |
| <b>DEDUCTIONS:</b>                  |                                    |  |                      |
| Scholarship Payments                | 37,125.00                          |  | 37,125.00            |
| Unemployment Compensation Claims    |                                    | 62,473.56  | 62,473.56            |
| Total Deductions                    | <u>37,125.00</u>                   | <u>62,473.56</u>                                   | <u>99,598.56</u>     |
| Change in Net Position              | <u>6,649.27</u>                    | <u>9,322.85</u>                                    | <u>15,972.12</u>     |
| Net Position - Beginning            | <u>135,763.49</u>                  | <u>264,915.02</u>                                  | <u>400,678.51</u>    |
| Net Position - Ending               | <u>\$ 142,412.76</u>               | <u>\$ 274,237.87</u>                               | <u>\$ 416,650.63</u> |



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

| <b>SCHOOL:</b>             | <u>Balance</u><br><u>June 30, 2015</u> | <u>Cash</u><br><u>Receipts</u> | <u>Cash</u><br><u>Disbursements</u> | <u>Balance</u><br><u>June 30, 2016</u> |
|----------------------------|--|--------------------------------|-------------------------------------|--|
| Holly Glen                 | \$ 5,694.04                            | \$ 1,308.45                    | \$ 1,815.85                         | \$ 5,186.64                            |
| Radix                      | 4,698.91                               | 3,846.63                       | 3,490.90                            | 5,054.64                               |
| Oak Knoll                  | 1,174.26                               | 226.00                         | 100.25                              | 1,300.01                               |
| Whitehall                  | 4,629.93                               | 16,858.50                      | 15,179.20                           | 6,309.23                               |
| Williamstown Middle School | 167,119.05                             | 241,120.58                     | 238,899.94                          | 169,339.69                             |
| Williamstown High School   | 169,284.05                             | 930,445.84                     | 906,931.85                          | 192,798.04                             |
| Due to Scholarship Account | 14,190.11                              | 27,177.00                      | 27,925.00                           | 13,442.11                              |
| Athletic Account           | 79,240.64                              | 73,589.22                      | 100,699.97                          | 52,129.89                              |
|                            | <u>\$ 446,030.99</u>                   | <u>\$ 1,294,572.22</u>         | <u>\$ 1,295,042.96</u>              | <u>\$ 445,560.25</u>                   |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2016

|                                     | <u>Balance</u><br><u>June 30, 2015</u> | <u>Additions</u>        | <u>Deletions</u>        | <u>Balance</u><br><u>June 30, 2016</u> |
|-------------------------------------|--|-------------------------|-------------------------|--|
| <b>ASSETS:</b>                      |  |                         |                         |  |
| Cash and Cash Equivalents           | \$ 663,491.52                          | \$ 49,045,961.77        | \$ 49,119,277.12        | \$ 590,176.17                          |
| Due from State                      |  | 83,646.69               |                         | 83,646.69                              |
| Cash and Cash Equivalents           | <u>\$ 663,491.52</u>                   | <u>\$ 49,129,608.46</u> | <u>\$ 49,119,277.12</u> | <u>\$ 673,822.86</u>                   |
| <b>LIABILITIES:</b>                 |  |                         |                         |  |
| Payroll Deductions and Withholdings | \$ 407,039.75                          | \$ 21,586,009.09        | \$ 21,589,646.38        | \$ 403,402.46                          |
| Due to Other Funds                  | 256,451.77                             | 27,298.85               | 13,330.22               | 270,420.40                             |
| Net Payroll                         |  | 27,516,300.52           | 27,516,300.52           |  |
| Total Liabilities                   | <u>\$ 663,491.52</u>                   | <u>\$ 49,129,608.46</u> | <u>\$ 49,119,277.12</u> | <u>\$ 673,822.86</u>                   |

**LONG-TERM DEBT**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Serial Bonds and Loans Payable  
 For the Fiscal Year Ended June 30, 2016

| <u>Issue</u>                                 | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Date</u>  | <u>Amount</u>       | <u>Interest Rate</u> | <u>Balance June 30, 2015</u> | <u>Decreased</u> | <u>Balance June 30, 2016</u> |
|--|----------------------|------------------------|--------------|---------------------|----------------------|------------------------------|------------------|------------------------------|
| Construction of New High School              | 11/15/93             | \$ 15,998,000.00       | 08/01/16     | \$ 875,000.00       | 5.20%                |                              |                  |                              |
|  |                      |                        | 08/01/17     | 875,000.00          | 5.20%                |                              |                  |                              |
|  |                      |                        | 08/01/18     | 898,000.00          | 5.20%                |                              |                  |                              |
|  |                      |                        |              | <u>2,648,000.00</u> |                      | \$ 3,473,000.00              | \$ 825,000.00    | \$ 2,648,000.00              |
| Construction of Additions to Various Schools | 03/01/07             | 43,639,000.00          |              |                     |                      | 600,000.00                   | 600,000.00       |                              |
| Refunding Bonds, Series 2010                 | 05/12/10             | 11,995,000.00          | 03/01/17     | 1,100,000.00        | 4.00%                |                              |                  |                              |
|  |                      |                        | 03/01/18     | 1,125,000.00        | 4.25%                |                              |                  |                              |
|  |                      |                        | 03/01/19     | 1,135,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/20     | 1,145,000.00        | 4.50%                |                              |                  |                              |
|  |                      |                        | 03/01/21     | 1,150,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/22     | <u>1,185,000.00</u> | 5.00%                |                              |                  |                              |
|  | <u>6,840,000.00</u>  |                        | 7,915,000.00 | 1,075,000.00        | 6,840,000.00         |                              |                  |                              |
| Refunding Bonds, Series 2014                 | 06/27/14             | 40,420,000.00          | 03/01/17     | 635,000.00          | 3.00%                |                              |                  |                              |
|  |                      |                        | 03/01/18     | 815,000.00          | 4.00%                |                              |                  |                              |
|  |                      |                        | 03/01/19     | 970,000.00          | 4.00%                |                              |                  |                              |
|  |                      |                        | 03/01/20     | 1,735,000.00        | 4.00%                |                              |                  |                              |
|  |                      |                        | 03/01/21     | 1,920,000.00        | 4.00%                |                              |                  |                              |
|  |                      |                        | 03/01/22     | 2,070,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/23     | 2,350,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/24     | 2,505,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/25     | 2,700,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/26     | 2,900,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/27     | 3,115,000.00        | 5.00%                |                              |                  |                              |
|  |                      |                        | 03/01/28     | 3,340,000.00        | 3.00%                |                              |                  |                              |
| 03/01/29                                     | 3,505,000.00         | 3.13%                  |              |                     |                      |                              |                  |                              |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Serial Bonds and Loans Payable  
 For the Fiscal Year Ended June 30, 2016

| <u>Issue</u>                             | <u>Date of Issue</u> | <u>Amount of Issue</u> | <u>Date</u> | <u>Amount</u>        | <u>Interest Rate</u> | <u>Balance June 30, 2015</u> | <u>Decreased</u>        | <u>Balance June 30, 2016</u> |
|--|----------------------|------------------------|-------------|----------------------|----------------------|------------------------------|-------------------------|------------------------------|
| Refunding Bonds, Series 2014<br>(Cont'd) | 06/27/14             | \$ 40,420,000.00       | 03/01/30    | \$ 3,525,000.00      | 4.00%                |                              |                         |                              |
|  |                      |                        | 03/01/31    | 3,740,000.00         | 4.00%                |                              |                         |                              |
|  |                      |                        | 03/01/32    | <u>3,965,000.00</u>  | 4.00%                |                              |                         |                              |
|  |                      |                        |             | <u>39,790,000.00</u> |                      | \$ 39,790,000.00             |                         | \$ 39,790,000.00             |
|  |                      |                        |             |                      |                      | <u>\$ 51,778,000.00</u>      | <u>\$ 2,500,000.00</u>  | <u>\$ 49,278,000.00</u>      |
|  |                      |                        |             |                      |                      | Add: Premium                 | <u>\$ 3,908,745.53</u>  |                              |
|  |                      |                        |             |                      |                      |                              | <u>\$ 53,186,745.53</u> |                              |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2016

| <u>Series</u> | <u>Date of Lease</u> | <u>Term of Lease</u> | <u>Amount of Original Issue</u> |                 | <u>Interest Rate Payable</u> | <u>Amount Outstanding June 30, 2015</u> | <u>Additions Current Year</u> | <u>Reductions Current Year</u> | <u>Amount Outstanding June 30, 2016</u> |
|---------------|----------------------|----------------------|---------------------------------|-----------------|------------------------------|---|-------------------------------|--------------------------------|---|
|               |                      |                      | <u>Principal</u>                | <u>Interest</u> |                              |   |                               |                                |   |
| Eplus         | 7/2/2013             | 4 Years              | \$ 836,739.16                   | \$ 38,839.95    | 4.67%                        | \$ 211,737.12                           |                               | \$ 211,737.12                  |   |
| Eplus         | 4/14/2014            | 4 Years              | 759,560.35                      | 39,807.99       | 5.45%                        | 374,686.04                              |                               | 182,263.96                     | \$ 192,422.08                           |
| Eplus         | 8/4/2014             | 4 Years              | 275,861.29                      | 24,954.22       | 5.79%                        | 206,029.79                              |                               | 64,752.96                      | 141,276.83                              |
| Eplus         | 3/1/2016             | 3.5 Years            | 81,991.94                       | 4,791.43        | 5.76%                        |   | \$ 81,991.94                  | 28,066.88                      | 53,925.06                               |
|               |                      |                      |                                 |                 |                              | <u>\$ 792,452.95</u>                    | <u>\$ 81,991.94</u>           | <u>\$ 486,820.92</u>           | <u>\$ 387,623.97</u>                    |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2016

|  | <u>Original<br/>Budget</u> | <u>Transfers/<br/>Modifications</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | Variance<br>Positive (Negative)<br><u>Final to Actual</u> |
|--|----------------------------|-------------------------------------|-------------------------|---------------------|---|
| <b>REVENUES:</b>   |                            |                                     |                         |                     |   |
| Local Sources:   |                            |                                     |                         |                     |   |
| Local Tax Levy   | \$ 3,628,564.00            |                                     | \$ 3,628,564.00         | \$ 3,628,564.00     |   |
| State Sources:   |                            |                                     |                         |                     |   |
| Debt Service Aid Type II   | 1,082,000.00               |                                     | 1,082,000.00            | 1,082,000.00        |   |
| <b>Total Revenues</b>  | <b>4,710,564.00</b>        | <b>\$ -</b>                         | <b>4,710,564.00</b>     | <b>4,710,564.00</b> | <b>\$ -</b>   |
| <b>EXPENDITURES:</b>   |                            |                                     |                         |                     |   |
| Regular Debt Service:  |                            |                                     |                         |                     |   |
| Interest   | 2,210,565.00               |                                     | 2,210,565.00            | 2,210,564.76        | 0.24  |
| Redemption of Principal  | 2,500,000.00               |                                     | 2,500,000.00            | 2,500,000.00        |   |
| <b>Total Regular Debt Service</b>  | <b>4,710,565.00</b>        | <b>-</b>                            | <b>4,710,565.00</b>     | <b>4,710,564.76</b> | <b>0.24</b>   |
| <b>Total Expenditures</b>  | <b>4,710,565.00</b>        | <b>-</b>                            | <b>4,710,565.00</b>     | <b>4,710,564.76</b> | <b>0.24</b>   |
| Excess (Deficiency) of Revenues Over Expenditures                              | (1.00)                     |                                     | (1.00)                  | (0.76)              | 0.24  |
| Fund Balance July 1, 2015  | 6,458.25                   | -                                   | 6,458.25                | 6,458.25            |   |
| Fund Balance June 30, 2016   | <u>\$ 6,457.25</u>         | <u>\$ -</u>                         | <u>\$ 6,457.25</u>      | <u>\$ 6,457.49</u>  | <u>\$ 0.24</u>  |
| <b>Restricted for:</b>   |                            |                                     |                         |                     |   |
| Debt Service - Designated for Subsequent Year's Expenditure (Fiscal Year 2017) |                            |                                     |                         | <u>\$ 6,457.49</u>  |   |

**STATISTICAL SECTION**



## **Financial Trends Information**

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

|  | Fiscal Year Ended June 30, |                            |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <u>2016*</u>               | <u>2015*</u><br>(Restated) | <u>2014*</u>         | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          |
| <b>Governmental Activities:</b>                    |                            |                            |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 37,206,779              | \$ 36,393,841              | \$ 36,126,214        | \$ 35,522,429        | \$ 34,928,301        | \$ 33,586,840        | \$ 32,052,982        | \$ 22,859,005        | \$ 31,997,727        | \$ 34,523,971        |
| Restricted   | 11,408,085                 | 10,476,503                 | 10,455,009           | 11,220,190           | 8,280,620            | 8,502,897            | 6,400,976            | 2,113,885            | 1,593,775            | 1,992,071            |
| Unrestricted (Deficit)                             | (21,709,729)               | (21,054,373)               | (19,395,050)         | (7,428,501)          | (6,288,319)          | (9,515,280)          | (10,043,591)         | 1,854,868            | (2,717,481)          | (3,634,106)          |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 26,905,135</b>       | <b>\$ 25,815,971</b>       | <b>\$ 27,186,173</b> | <b>\$ 39,314,117</b> | <b>\$ 36,920,602</b> | <b>\$ 32,574,457</b> | <b>\$ 28,410,367</b> | <b>\$ 26,827,758</b> | <b>\$ 30,874,022</b> | <b>\$ 32,881,936</b> |
| <b>Business-type Activities:</b>                   |                            |                            |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 369,160                 | \$ 351,415                 | \$ 260,729           | \$ 290,374           | \$ 317,865           | \$ 255,545           | \$ 284,243           | \$ 138,157           | \$ 138,157           | \$ 153,632           |
| Unrestricted                                       | 714,167                    | 651,767                    | 579,526              | 354,786              | 343,739              | 335,977              | 280,432              | 294,097              | 335,430              | 316,467              |
| <b>Total Business-type Activities Net Position</b> | <b>\$ 1,083,327</b>        | <b>\$ 1,003,182</b>        | <b>\$ 840,255</b>    | <b>\$ 645,160</b>    | <b>\$ 661,604</b>    | <b>\$ 591,522</b>    | <b>\$ 564,675</b>    | <b>\$ 432,254</b>    | <b>\$ 473,587</b>    | <b>\$ 470,099</b>    |
| <b>District-wide:</b>                              |                            |                            |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets                   | \$ 37,575,939              | \$ 36,745,256              | \$ 36,386,943        | \$ 35,812,803        | \$ 35,246,166        | \$ 33,842,385        | \$ 32,337,225        | \$ 22,997,162        | \$ 32,135,884        | \$ 34,677,603        |
| Restricted   | 11,408,085                 | 10,476,503                 | 10,455,009           | 11,220,190           | 8,280,620            | 8,502,897            | 6,400,976            | 2,113,885            | 1,593,775            | 1,992,071            |
| Unrestricted                                       | (20,995,562)               | (20,402,606)               | (18,815,524)         | (7,073,715)          | (5,944,580)          | (9,179,303)          | (9,763,159)          | 2,148,965            | (2,382,050)          | (3,317,640)          |
| <b>Total District-wide Net Position</b>            | <b>\$ 27,988,462</b>       | <b>\$ 26,819,154</b>       | <b>\$ 28,026,428</b> | <b>\$ 39,959,277</b> | <b>\$ 37,582,206</b> | <b>\$ 33,165,979</b> | <b>\$ 28,975,042</b> | <b>\$ 27,260,012</b> | <b>\$ 31,347,609</b> | <b>\$ 33,352,035</b> |

\* Amounts for the years 2016, 2015 and 2014 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Source: District Records (Exhibit A-1)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

|   | Fiscal Year Ended June 30, |                       |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | <u>2016*</u>               | <u>2015*</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          |
| <b>Expenses:</b>                              |                            |                       |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities:                      |                            |                       |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction:                                  |                            |                       |                      |                      |                      |                      |                      |                      |                      |                      |
| Regular                                       | \$ 25,367,796              | \$ 24,776,151         | \$ 23,514,183        | \$ 23,096,243        | \$ 22,623,828        | \$ 22,834,580        | \$ 24,185,844        | \$ 23,684,838        | \$ 23,789,884        | \$ 22,662,294        |
| Special Education                             | 8,191,887                  | 8,130,175             | 7,784,489            | 7,359,155            | 7,319,381            | 6,688,837            | 6,491,757            | 7,071,804            | 6,604,007            | 6,037,375            |
| Other Special Instruction                     | 1,581,892                  | 1,701,233             | 1,692,065            | 1,616,900            | 1,617,349            | 126,907              | 124,038              | 96,779               | 127,193              | 167,165              |
| Vocational                                    |                            |                       | 1,161                | 99,880               | 83,503               | 71,921               | 51,373               | 35,875               | 66,190               | 125,134              |
| Other Instruction                             | 1,228,483                  | 1,255,832             | 1,206,403            | 1,066,166            | 1,002,703            | 1,707,506            | 1,475,145            | 1,979,439            | 1,520,893            | 858,607              |
| Support Services:                             |                            |                       |                      |                      |                      |                      |                      |                      |                      |                      |
| Student and Instruction Related Services      | 14,080,081                 | 14,993,395            | 14,675,080           | 13,321,294           | 11,541,560           | 10,698,606           | 10,220,473           | 9,982,333            | 9,649,091            | 8,866,873            |
| School Administrative Services                | 3,847,739                  | 3,826,290             | 3,263,911            | 3,164,330            | 3,111,907            | 2,983,636            | 3,080,612            | 3,405,484            | 3,155,515            | 3,311,850            |
| General and Business Administrative Services  | 3,237,534                  | 2,986,247             | 3,015,318            | 2,812,590            | 2,830,610            | 2,529,713            | 2,456,035            | 2,321,711            | 2,472,561            | 2,346,489            |
| Plant Operations and Maintenance              | 8,472,030                  | 8,043,389             | 7,825,281            | 7,668,365            | 7,859,435            | 8,025,792            | 7,977,816            | 7,694,982            | 7,133,599            | 6,389,645            |
| Pupil Transportation                          | 7,093,824                  | 6,797,967             | 5,953,489            | 5,413,803            | 5,010,697            | 5,436,657            | 5,526,479            | 5,417,884            | 5,439,734            | 4,800,555            |
| Unallocated Benefits                          | 32,440,764                 | 27,835,461            | 18,794,650           | 18,871,589           | 17,282,059           | 16,537,269           | 17,297,252           | 16,639,661           | 14,737,600           | 13,876,066           |
| Transfer to Charter Schools                   | 66,029                     | 40,286                | 44,825               | 34,400               | 22,495               |                      |                      |                      |                      |                      |
| Amortization of Debt Issue Costs              |                            |                       |                      |                      | 16,199               | 16,199               | 2,319                | 2,319                | 2,319                | 4,617                |
| Capital Outlay Expensed                       |                            |                       | 1,134,480            |                      |                      |                      | 80,936               | 2,003,522            |                      |                      |
| Interest Expense                              | 2,147,416                  | 2,283,071             | 1,923,222            | 2,561,990            | 2,662,704            | 2,613,224            | 2,769,025            | 3,564,543            | 2,329,942            | 2,103,438            |
| Unallocated Depreciation                      | 29,857                     | 27,293                | 3,069,886            | 3,067,967            | 3,052,166            | 2,993,292            | 1,608,783            | 2,035,612            | 1,912,966            | 1,932,313            |
| <b>Total Governmental Activities Expenses</b> | <b>107,785,333</b>         | <b>102,696,789</b>    | <b>93,898,444</b>    | <b>90,154,672</b>    | <b>86,036,596</b>    | <b>83,264,139</b>    | <b>83,347,887</b>    | <b>85,936,786</b>    | <b>78,941,494</b>    | <b>73,482,420</b>    |
| Business-type Activities:                     |                            |                       |                      |                      |                      |                      |                      |                      |                      |                      |
| Food Service                                  | 2,254,068                  | 2,204,598             | 2,054,740            | 2,182,029            | 2,189,284            | 2,104,658            | 2,119,545            | 2,079,704            | 2,311,067            | 1,983,783            |
| Other   |                            |                       |                      | 221,481              | 218,613              | 237,050              | 220,949              | 220,544              | 245,665              | 231,689              |
| <b>Total Business-type Activities Expense</b> | <b>2,254,068</b>           | <b>2,204,598</b>      | <b>2,054,740</b>     | <b>2,403,510</b>     | <b>2,407,897</b>     | <b>2,341,708</b>     | <b>2,340,493</b>     | <b>2,300,248</b>     | <b>2,556,733</b>     | <b>2,215,472</b>     |
| <b>Total District Expenses</b>                | <b>\$ 110,039,401</b>      | <b>\$ 104,901,387</b> | <b>\$ 95,953,185</b> | <b>\$ 92,558,182</b> | <b>\$ 88,444,493</b> | <b>\$ 85,605,847</b> | <b>\$ 85,688,381</b> | <b>\$ 88,237,034</b> | <b>\$ 81,498,227</b> | <b>\$ 75,697,893</b> |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

|   | Fiscal Year Ended June 30, |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | <u>2016*</u>               | <u>2015*</u>           | <u>2014</u>            | <u>2013</u>            | <u>2012</u>            | <u>2011</u>            | <u>2010</u>            | <u>2009</u>            | <u>2008</u>            | <u>2007</u>            |
| <b>Program Revenues:</b>                        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities:                        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for Services:                           |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Instruction: Tuition                            | \$ 319,193                 | \$ 361,395             | \$ 437,996             | \$ 493,982             | \$ 440,587             | \$ 524,301             | \$ 370,346             | \$ 275,373             | \$ 121,298             | \$ 63,413              |
| Operating Grants and Contributions              | 22,007,382                 | 8,022,652              | 7,854,734              | 7,847,525              | 6,573,587              | 6,597,101              | 8,611,555              | 9,579,948              | 10,850,064             | 10,029,252             |
| Capital Grants and Contributions                | 195,567                    | 12,611                 | 7,181                  | 9,006                  | 18,527                 | 45,323                 |                        |                        | 9,022                  | 171,683                |
| Total Governmental Activities Program Revenues  | <u>22,522,141</u>          | <u>8,396,657</u>       | <u>8,299,911</u>       | <u>8,350,513</u>       | <u>7,032,701</u>       | <u>7,166,725</u>       | <u>8,981,901</u>       | <u>9,855,321</u>       | <u>10,980,385</u>      | <u>10,264,348</u>      |
| Business-type activities:                       |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services                            |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Food Service                                    | 1,153,905                  | 1,153,566              | 1,230,850              | 1,185,759              | 1,316,040              | 1,313,400              | 1,318,729              | 1,332,495              | 1,371,604              | 1,382,495              |
| Other   |                            |                        |                        | 221,481                | 218,613                | 237,050                | 220,949                | 287,497                | 291,660                | 231,673                |
| Operating Grants and Contributions              | 1,182,139                  | 1,111,961              | 1,018,985              | 980,123                | 943,327                | 823,107                | 934,939                | 798,064                | 745,051                | 642,443                |
| Total Business-type Activities Program Revenues | <u>2,336,044</u>           | <u>2,265,527</u>       | <u>2,249,835</u>       | <u>2,387,364</u>       | <u>2,477,980</u>       | <u>2,373,557</u>       | <u>2,474,617</u>       | <u>2,418,057</u>       | <u>2,408,315</u>       | <u>2,256,611</u>       |
| Total District Program Revenues                 | <u>\$ 24,858,185</u>       | <u>\$ 10,662,184</u>   | <u>\$ 10,549,746</u>   | <u>\$ 10,737,877</u>   | <u>\$ 9,510,681</u>    | <u>\$ 9,540,282</u>    | <u>\$ 11,456,518</u>   | <u>\$ 12,273,378</u>   | <u>\$ 13,388,700</u>   | <u>\$ 12,520,959</u>   |
| <b>Net (Expense)/Revenue:</b>                   |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                         | \$ (85,263,192)            | \$ (94,300,132)        | \$ (85,598,534)        | \$ (81,804,159)        | \$ (79,003,895)        | \$ (76,097,414)        | \$ (74,365,986)        | \$ (76,081,465)        | \$ (67,961,109)        | \$ (63,218,072)        |
| Business-type Activities                        | 81,976                     | 60,929                 | 195,095                | (16,146)               | 70,083                 | 31,849                 | 134,123                | 117,809                | (148,417)              | 41,138                 |
| Total District-wide Net Expense                 | <u>\$ (85,181,216)</u>     | <u>\$ (94,239,203)</u> | <u>\$ (85,403,439)</u> | <u>\$ (81,820,305)</u> | <u>\$ (78,933,812)</u> | <u>\$ (76,065,565)</u> | <u>\$ (74,231,863)</u> | <u>\$ (75,963,656)</u> | <u>\$ (68,109,527)</u> | <u>\$ (63,176,933)</u> |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

|  | Fiscal Year Ended June 30, |                       |                      |                      |                      |                      |                      |                       |                       |                      |
|--|----------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|
|  | <u>2016*</u>               | <u>2015*</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>           | <u>2008</u>           | <u>2007</u>          |
| <b>General Revenues and Other Changes in Net Position:</b> |                            |                       |                      |                      |                      |                      |                      |                       |                       |                      |
| Governmental Activities:                                   |                            |                       |                      |                      |                      |                      |                      |                       |                       |                      |
| Property Taxes Levied for General Purposes, Net            | \$ 50,593,181              | \$ 48,608,013         | \$ 47,828,524        | \$ 46,167,090        | \$ 46,167,090        | \$ 45,367,831        | \$ 42,200,832        | \$ 38,763,923         | \$ 38,764,596         | \$ 36,770,924        |
| Unrestricted Grants and Contributions                      | 35,462,742                 | 45,946,889            | 38,080,791           | 36,882,482           | 36,882,482           | 34,843,390           | 34,295,635           | 31,429,531            | 26,487,778            | 25,714,865           |
| Investment Earnings  | 89,998                     | 85,641                | 85,822               | 64,961               | 64,961               | 48,913               | 105,442              | 788,385               | 1,820,498             | 688,473              |
| Miscellaneous Income                                       | 274,407                    | 42,647                | 372,577              | 253,600              | 253,600              | 100,401              | 219,243              | 941,689               | 131,050               | 356,631              |
| Miscellaneous Expenses                                     |                            |                       | (224,688)            |                      |                      | (16,903)             |                      |                       |                       |                      |
| Loss on Disposal of Capital Assets                         | (67,972)                   | (1,846,037)           | (18,131)             | (18,093)             | (18,093)             | (65,988)             | (98,497)             |                       | (368,199)             | (51,558)             |
| Cancellation of Accounts Receivable/Duplicate Payables     |                            |                       | (22,810)             |                      |                      | (16,140)             | (716,558)            | (1,669)               | (687,632)             |                      |
| Transfers  |                            |                       |                      |                      |                      |                      | (57,502)             | 113,342               | (194,896)             | (303,041)            |
| <b>Total Governmental Activities</b>                       | <b>86,352,356</b>          | <b>92,837,153</b>     | <b>86,102,084</b>    | <b>83,350,040</b>    | <b>83,350,040</b>    | <b>80,261,504</b>    | <b>75,948,595</b>    | <b>72,035,201</b>     | <b>65,953,195</b>     | <b>63,176,294</b>    |
| Business-type Activities:                                  |                            |                       |                      |                      |                      |                      |                      |                       |                       |                      |
| Investment Earnings  |                            |                       |                      |                      |                      |                      |                      | 1,381                 | 4,264                 | 902                  |
| Cancellation of Accounts Receivable/Duplicate Payables     |                            |                       |                      |                      |                      |                      | (1,266)              |                       |                       |                      |
| Loss on Disposal of Capital Assets                         | (1,831)                    |                       |                      |                      |                      | (5,002)              |                      | (436)                 | (160,524)             | 261,319              |
| Transfers  |                            |                       |                      |                      |                      |                      |                      |                       |                       |                      |
| <b>Total Business-type Activities</b>                      | <b>(1,831)</b>             | <b>-</b>              | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>(5,002)</b>       | <b>(1,702)</b>       | <b>(159,142)</b>      | <b>151,906</b>        | <b>262,221</b>       |
| <b>Total District-wide</b>                                 | <b>\$ 86,350,525</b>       | <b>\$ 92,837,153</b>  | <b>\$ 86,102,084</b> | <b>\$ 83,350,040</b> | <b>\$ 83,350,040</b> | <b>\$ 80,256,502</b> | <b>\$ 75,946,893</b> | <b>\$ 71,876,058</b>  | <b>\$ 66,105,101</b>  | <b>\$ 63,438,515</b> |
| <b>Change in Net Position:</b>                             |                            |                       |                      |                      |                      |                      |                      |                       |                       |                      |
| Governmental Activities                                    | \$ 1,089,165               | \$ (1,462,979)        | \$ 503,550           | \$ 1,545,881         | \$ 4,346,145         | \$ 4,164,090         | \$ 1,582,610         | \$ (4,046,264)        | \$ (2,007,914)        | \$ (41,778)          |
| Business-type Activities                                   | 80,145                     | 60,929                | 195,095              | (16,146)             | 70,083               | 26,847               | 132,421              | (41,333)              | 3,489                 | 303,360              |
| <b>Total District</b>                                      | <b>\$ 1,169,309</b>        | <b>\$ (1,402,050)</b> | <b>\$ 698,645</b>    | <b>\$ 1,529,735</b>  | <b>\$ 4,416,228</b>  | <b>\$ 4,190,937</b>  | <b>\$ 1,715,031</b>  | <b>\$ (4,087,598)</b> | <b>\$ (2,004,425)</b> | <b>\$ 261,582</b>    |

\* Amounts for the year 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Source: District Records (Exhibit A-2)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

|   | Fiscal Year Ended June 30, |                      |                      |                      |                      |                     |                     |                      |                      |                      |
|---|----------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|   | 2016                       | 2015                 | 2014                 | 2013                 | 2012                 | 2011                | 2010                | 2009                 | 2008                 | 2007                 |
| General Fund:                             |                            |                      |                      |                      |                      |                     |                     |                      |                      |                      |
| Restricted:                               |                            |                      |                      |                      |                      |                     |                     |                      |                      |                      |
| Capital Reserve Account                   | \$ 1,752,950               | \$ 1,250,550         | \$ 550               | \$ 550               | \$ 500,400           | \$ 594,046          | \$ 20,375           | \$ 20,375            | \$ 20,375            | \$ 20,375            |
| Excess Surplus                            | 8,715,241                  | 8,082,886            | 8,480,560            | 7,913,796            | 5,532,084            | 5,801,016           | 3,410,057           | 1,477,459            | 1,234,289            | 2,160,027            |
| Assigned:                                 |                            |                      |                      |                      |                      |                     |                     |                      |                      |                      |
| Other Purposes                            | 118,104                    | 128,308              | 717,769              | 2,014,292            | 1,877,333            | 971,837             |                     |                      |                      |                      |
| Subsequent Year's Expenditure             | 97,254                     | 90,324               |                      |                      | 830,818              | 541,553             | 1,173,670.20        | 616,050.70           | 117,773.17           | 214,206.00           |
| Unassigned (Deficit)                      | 1,628,804                  | 1,673,832            | 1,689,013            | 1,559,233            | 1,499,026            | (1,404,538)         | (1,021,361)         | (1,704,253)          | 330,777              | 1,475,942            |
| <b>Total General Fund</b>                 | <b>\$ 12,312,353</b>       | <b>\$ 11,225,899</b> | <b>\$ 10,887,892</b> | <b>\$ 11,487,872</b> | <b>\$ 10,239,661</b> | <b>\$ 6,503,914</b> | <b>\$ 3,582,741</b> | <b>\$ 409,632</b>    | <b>\$ 1,703,214</b>  | <b>\$ 3,870,550</b>  |
| All Other Governmental Funds:             |                            |                      |                      |                      |                      |                     |                     |                      |                      |                      |
| Restricted:                               |                            |                      |                      |                      |                      |                     |                     |                      |                      |                      |
| Capital Projects Fund                     | \$ 468,260                 | \$ 476,704           | \$ 856,759           | \$ 1,000,000         | \$ 95,780            | \$ 939,417          | \$ 1,796,874        | \$ 11,141,484        | \$ 32,846,842        | \$ 43,610,522        |
| Special Revenue Fund                      | 465,177                    | 441,274              | 398,821              | 346,589              | 275,023              | 196,581             | 212,067             | 218,308              | 67,109               | 82,101               |
| Debt Service Fund                         | 6,457                      | 6,458                | 19,043               | 19,063               | 70,362               |                     | 178,994             | 224,082              | 1,643,352            | 4                    |
| Unassigned (Deficit) - Debt Service Fund  |                            |                      |                      |                      |                      | (68,335)            |                     |                      |                      |                      |
| <b>Total All Other Governmental Funds</b> | <b>\$ 939,894</b>          | <b>\$ 924,436</b>    | <b>\$ 1,274,623</b>  | <b>\$ 1,365,652</b>  | <b>\$ 441,165</b>    | <b>\$ 1,067,663</b> | <b>\$ 2,187,936</b> | <b>\$ 11,583,875</b> | <b>\$ 34,557,303</b> | <b>\$ 43,692,627</b> |

Source: District Records (Exhibit B-1)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

|  | Fiscal Year Ended June 30, |                    |                     |                     |                     |                     |                       |                        |                        |                      |
|--|----------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|------------------------|------------------------|----------------------|
|  | <u>2016</u>                | <u>2015</u>        | <u>2014</u>         | <u>2013</u>         | <u>2012</u>         | <u>2011</u>         | <u>2010</u>           | <u>2009</u>            | <u>2008</u>            | <u>2007</u>          |
| <b>Revenues:</b>   |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Tax Levy   | \$ 50,593,181              | \$ 48,608,013      | \$ 47,828,524       | \$ 46,874,002       | \$ 46,167,090       | \$ 45,367,831       | \$ 42,200,832         | \$ 38,763,923          | \$ 38,764,596          | \$ 36,770,924        |
| Miscellaneous  | 683,598                    | 557,159            | 966,157             | 911,194             | 904,805             | 828,284             | 764,222               | 2,009,545              | 2,077,294              | 45,009,896           |
| State Sources  | 44,874,235                 | 43,527,613         | 42,695,060          | 42,948,655          | 39,576,638          | 38,189,996          | 34,767,652            | 38,671,344             | 34,883,050             | 33,297,671           |
| Federal Sources  | 2,778,053                  | 2,671,526          | 3,141,592           | 2,353,478           | 3,752,302           | 3,141,149           | 8,070,348             | 2,334,037              | 2,459,367              | 2,470,718            |
| <b>Total Revenue</b>   | <b>98,929,066</b>          | <b>95,364,311</b>  | <b>94,631,333</b>   | <b>93,087,329</b>   | <b>90,400,835</b>   | <b>87,527,260</b>   | <b>85,803,054</b>     | <b>81,778,849</b>      | <b>78,184,306</b>      | <b>117,549,209</b>   |
| <b>Expenditures:</b>   |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Instruction  |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Regular Instruction  | 24,309,862.04              | 23,753,531         | 23,907,815          | 23,115,299          | 22,909,128          | 23,417,601          | 24,444,586            | 24,376,422             | 23,308,504             | 22,374,821           |
| Special Education Instruction                                | 7,857,929.48               | 7,834,359          | 7,896,527           | 7,522,903           | 7,587,860           | 7,151,922           | 6,549,798             | 7,221,994              | 6,646,826              | 5,987,028            |
| Other Special Instruction                                    | 1,517,402.85               | 1,632,299          | 1,722,550           | 1,595,165           | 1,628,382           | 155,393             | 153,058               | 146,843                | 141,466                | 116,817              |
| Vocational   |                            |                    | 1,150               | 96,424              | 90,941              | 90,699              | 80,394                | 85,938                 | 80,463                 | 74,787               |
| Other Instruction  | 1,164,584.99               | 1,192,836          | 1,225,963           | 1,061,882           | 1,015,413           | 1,772,693           | 1,465,040             | 1,966,319              | 1,496,371              | 780,842              |
| Support Services:  |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Student and Instruction Related Services                     | 13,500,689.69              | 14,349,774.07      | 14,874,575          | 13,232,495          | 11,558,848          | 10,867,189          | 10,211,163            | 9,971,001              | 9,646,530              | 8,751,832            |
| School Administrative Services                               | 3,685,863.06               | 3,665,863          | 3,304,835           | 3,141,849           | 3,112,649           | 3,025,027           | 3,073,330             | 3,399,253              | 3,159,859              | 3,181,625            |
| Other Administrative Services                                | 2,984,351.06               | 2,756,213          | 2,873,474           | 2,704,970           | 2,616,917           | 2,476,014           | 2,391,131             | 2,288,386              | 2,428,299              | 2,202,270            |
| Plant Operations and Maintenance                             | 8,075,542.53               | 7,695,038          | 7,803,366           | 7,603,882           | 7,853,489           | 8,134,807           | 7,947,870             | 7,668,271              | 7,138,672              | 6,316,738            |
| Pupil Transportation   | 7,093,823.69               | 6,797,967          | 6,137,801           | 5,384,896           | 5,022,229           | 5,527,274           | 5,526,479             | 5,417,884              | 5,466,917              | 4,800,105            |
| Unallocated Benefits   | 21,746,432.15              | 19,949,220         | 18,847,770          | 18,806,638          | 17,216,119          | 16,482,269          | 15,422,348            | 14,150,971             | 14,737,600             | 13,871,716           |
| Transfer to Charter Schools                                  | 66,029.00                  | 40,286             | 44,825              | 34,400              | 22,495              |                     |                       |                        |                        |                      |
| Capital Outlay   | 1,196,070                  | 1,262,635          | 2,818,508           | 1,849,512           | 1,259,624           | 2,623,647           | 8,574,363             | 24,157,460             | 10,931,586             | 2,725,642            |
| Debt Service:  |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Principal  | 2,500,000                  | 2,945,000          | 2,959,474           | 2,824,474           | 2,714,473           | 2,709,474           | 2,469,474             | 2,399,474              | 2,194,474              | 2,129,474            |
| Interest and Other Charges                                   | 2,210,565                  | 1,777,331          | 2,500,010           | 2,603,302           | 2,683,019           | 2,687,001           | 2,942,792             | 4,910,839              | 1,226,871              | 1,302,488            |
| <b>Total Expenditures</b>                                    | <b>97,909,146</b>          | <b>95,652,352</b>  | <b>96,918,642</b>   | <b>91,578,091</b>   | <b>87,291,586</b>   | <b>87,121,010</b>   | <b>91,251,824</b>     | <b>108,161,054</b>     | <b>88,604,438</b>      | <b>74,616,186</b>    |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,019,920.24               | (288,041.05)       | (2,287,308.84)      | 1,509,238.87        | 3,109,249.00        | 406,250.00          | (5,448,770.44)        | (26,382,204.50)        | (10,420,131.82)        | 42,933,023.55        |
| <b>Other Financing Sources (Uses):</b>                       |                            |                    |                     |                     |                     |                     |                       |                        |                        |                      |
| Accounts Receivable/Payable Canceled                         |                            |                    |                     |                     |                     | (65,988)            | (716,558)             | (1,669)                | (687,632)              |                      |
| Capital Leases   | 81,992                     | 275,861            | 1,596,300           | 663,460             |                     | 1,460,639           |                       | 2,003,522              |                        |                      |
| Transfers In   | 400,000                    |                    |                     |                     |                     |                     |                       | 160,524                |                        |                      |
| Transfers Out  | (400,000)                  |                    |                     |                     |                     |                     | (57,502)              | (47,182)               | (194,896)              | (303,041)            |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>81,992</b>              | <b>275,861</b>     | <b>1,596,300</b>    | <b>663,460</b>      | <b>-</b>            | <b>1,394,651</b>    | <b>(774,060)</b>      | <b>2,115,194</b>       | <b>(882,528)</b>       | <b>(303,041)</b>     |
| <b>Net Change in Fund Balances</b>                           | <b>\$ 1,101,912</b>        | <b>\$ (12,180)</b> | <b>\$ (691,009)</b> | <b>\$ 2,172,698</b> | <b>\$ 3,109,249</b> | <b>\$ 1,800,901</b> | <b>\$ (6,222,830)</b> | <b>\$ (24,267,010)</b> | <b>\$ (11,302,659)</b> | <b>\$ 42,629,982</b> |
| Debt Service as a Percentage of<br>Noncapital Expenditures   | 4.9%                       | 5.0%               | 5.8%                | 6.0%                | 6.3%                | 6.4%                | 6.5%                  | 8.7%                   | 4.4%                   | 4.8%                 |

Source: District Records (Exhibit B-2)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

|                                   | Fiscal Year Ended June 30, |                   |                   |                   |                   |                   |                   |                   |                   |                     |
|-----------------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|                                   | <u>2016</u>                | <u>2015</u>       | <u>2014</u>       | <u>2013</u>       | <u>2012</u>       | <u>2011</u>       | <u>2010</u>       | <u>2009</u>       | <u>2008</u>       | <u>2007</u>         |
| Tuition                           | \$ 319,193                 | \$ 361,395        | \$ 437,996        | \$ 493,982        | \$ 440,587        | \$ 524,301        | \$ 370,346        | \$ 275,373        | \$ 121,298        | \$ 63,413           |
| Transportation                    | 87,640                     |                   |                   |                   |                   |                   |                   |                   |                   |                     |
| Interest on Investments           | 92,008                     | 86,170            | 85,822            | 80,971            | 64,961            | 48,913            | 46,481            | 77,654            | 177,151           | 803,441             |
| Refund of Prior Year Expenditures |                            |                   | 131,844           | 43,180            | 135,825           | 10,523            | 21,121            | 15,681            | 40,257            | 12,439              |
| Athletic Gate Receipts            | 20,066                     | 17,011            | 24,080            | 17,499            | 20,713            | 4,950             |                   |                   | 3,223             | 235                 |
| Lost Book Fees                    | 3,439                      | 4,816             | 4,573             | 2,997             | 3,579             | 5,342             | 4,879             | 6,151             | 5,918             | 6,449               |
| Insurance and Claims              |                            |                   |                   |                   |                   |                   |                   | 358,019           |                   |                     |
| Miscellaneous                     | 68,363                     | 20,291            | 175,789           | 114,668           | 93,483            | 54,663            | 193,243           | 113,257           | 81,652            | 337,508             |
|                                   | <u>\$ 590,708</u>          | <u>\$ 489,682</u> | <u>\$ 860,104</u> | <u>\$ 753,297</u> | <u>\$ 759,148</u> | <u>\$ 648,692</u> | <u>\$ 636,071</u> | <u>\$ 846,136</u> | <u>\$ 429,499</u> | <u>\$ 1,223,485</u> |

Source: District Records



## **Revenue Capacity Information**

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

| <u>Year Ended Dec. 31</u> | <u>Total Assessed Value</u> | <u>Public Utilities (1)</u> | <u>Net Valuation Taxable</u> | <u>Tax-Exempt Property</u> | <u>Estimated (County Equalized) Value</u> | <u>Total Direct School Tax Rate (2)</u> |
|---------------------------|-----------------------------|-----------------------------|------------------------------|----------------------------|---|---|
| 2016                      | \$ 2,651,540,600            | \$ 7,723,031                | \$ 2,659,263,631             | \$ 218,650,500             | \$ 2,632,929,809                          | \$1.97                                  |
| 2015                      | 2,631,876,000               | 7,234,158                   | 2,639,110,158                | 217,674,300                | 2,529,204,484                             | 1.88                                    |
| 2014                      | 2,623,249,500               | 7,329,382                   | 2,630,578,882                | 216,706,600                | 2,547,604,953                             | 1.83                                    |
| 2013                      | 2,706,694,800               | 8,494,571                   | 2,715,189,371                | 216,209,000                | 2,527,518,461                             | 1.74                                    |
| 2012                      | 2,851,419,800               | 9,480,951                   | 2,860,900,751                | 214,680,700                | 2,760,682,073                             | 1.63                                    |
| 2011                      | 2,871,410,400               | 10,446,211                  | 2,881,856,611                | 203,351,100                | 2,885,341,969                             | 1.59                                    |
| 2010                      | 2,888,020,100               | 9,728,263                   | 2,898,748,363                | 203,898,700                | 3,033,060,120                             | 1.51                                    |
| 2009                      | 2,874,088,300               | 9,293,958                   | 2,881,250,038                | 200,961,400                | 3,105,787,267                             | 1.41                                    |
| 2008                      | 2,842,526,900               | 9,878,892                   | 2,852,405,792                | 199,862,900                | 2,892,526,900                             | 1.36                                    |
| 2007                      | 1,430,956,860               | 5,158,349                   | 1,436,115,209                | 122,471,150                | 2,646,265,600                             | 2.63                                    |

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

| Year<br>Ended<br><u>Dec. 31</u> | <u>District Direct Rate</u> |  |   | <u>Overlapping Rates</u>     |                                   |                              | <u>Total Direct<br/>and Overlapping<br/>Tax Rate</u> |
|---------------------------------|-----------------------------|--|---|------------------------------|-----------------------------------|------------------------------|--|
|                                 | <u>Basic Rate</u>           | <u>General<br/>Obligation Debt<br/>Service</u> | <u>Total Direct<br/>School<br/>Tax Rate</u> | <u>Special<br/>Districts</u> | <u>Township<br/>of<br/>Monroe</u> | <u>Gloucester<br/>County</u> |  |
| 2016                            | \$ 1.932                    | \$ 0.041                                       | \$ 1.973                                    | N/A                          | \$ 0.899                          | \$ 0.625                     | \$ 3.497   |
| 2015                            | 1.740                       | 0.140  | 1.880                                       | N/A                          | 0.890                             | 0.627                        | 3.397  |
| 2014                            | 1.677                       | 0.155  | 1.832                                       | N/A                          | 0.898                             | 0.614                        | 3.344  |
| 2013                            | 1.597                       | 0.147  | 1.744                                       | N/A                          | 0.828                             | 0.557                        | 3.129  |
| 2012                            | 1.490                       | 0.137  | 1.627                                       | N/A                          | 0.717                             | 0.529                        | 2.873  |
| 2011                            | 1.455                       | 0.134  | 1.589                                       | N/A                          | 0.704                             | 0.537                        | 2.830  |
| 2010                            | 1.386                       | 0.125  | 1.511                                       | N/A                          | 0.691                             | 0.576                        | 2.778  |
| 2009                            | 1.309                       | 0.096  | 1.405                                       | N/A                          | 0.678                             | 0.592                        | 2.675  |
| 2008                            | 1.271                       | 0.088  | 1.359                                       | N/A                          | 0.628                             | 0.562                        | 2.549  |
| 2007                            | 2.460                       | 0.170  | 2.630                                       | N/A                          | 1.123                             | 1.015                        | 4.768  |

Source: Municipal Tax Collector

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Principal Property Tax Payers  
 Current Year and Ten Years Ago  
*Unaudited*

| <u>Taxpayer</u>                       | 2016                          |             |  | 2007                          |             |   |
|---------------------------------------|-------------------------------|-------------|--|-------------------------------|-------------|---|
|                                       | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Valuation Taxable</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>% of Total District Net Assessed Value</u> |
| Williamstown TVC ARC LLC              | \$ 21,746,200                 | 1           | 0.80%  |                               |             |   |
| Barclay Glenn at Cross Keys LLC       | 16,100,000                    | 2           | 0.59%  |                               |             |   |
| Williamstown Inc Suisse/Walmart       | 13,270,200                    | 3           | 0.49%  |                               |             |   |
| Nationwide MHC LLC / Continental.Com  | 11,411,400                    | 4           | 0.42%  |                               |             |   |
| Jefferson Village                     | 10,250,000                    | 5           | 0.38%  |                               |             |   |
| Friendly Village                      | 9,887,700                     | 6           | 0.36%  |                               |             |   |
| Gordon Partnership LLP                | 8,979,600                     | 7           | 0.33%  |                               |             |   |
| Laurelton Village Reality             | 8,339,100                     | 8           | 0.31%  |                               |             |   |
| Verizon - New Jersey C/O Duff & Phelp | 7,723,031                     | 9           | 0.28%  |                               |             |   |
| 1420 South Black Horse Pike Prop.     | 6,900,000                     | 10          | 0.25%  |                               |             |   |
|                                       | Not Available                 |             |  |                               |             |   |
| Total                                 | <u>\$ 114,607,231</u>         |             | <u>4.22%</u>                                     | <u>\$ -</u>                   |             |   |

Source: District CAFR & County Tax Assessor

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Years  
*Unaudited*

| Fiscal Year<br>Ended June 30, | School District<br>Taxes Levied<br>for the<br>Fiscal Year | Collected within the Fiscal Year of the Levy (1) |                       |
|-------------------------------|---|--|-----------------------|
|                               |   | Amount   | Percentage<br>of Levy |
| 2016                          | \$ 50,593,181   | \$ 50,593,181                                    | 100.00%               |
| 2015                          | 48,608,013  | 48,608,013                                       | 100.00%               |
| 2014                          | 47,828,524  | 47,828,524                                       | 100.00%               |
| 2013                          | 46,874,002  | 46,874,002                                       | 100.00%               |
| 2012                          | 46,167,090  | 46,167,090                                       | 100.00%               |
| 2011                          | 45,367,831  | 45,367,831                                       | 100.00%               |
| 2010                          | 42,200,832  | 42,200,832                                       | 100.00%               |
| 2009                          | 38,763,923  | 38,763,293                                       | 100.00%               |
| 2008                          | 38,764,596  | 38,764,596                                       | 100.00%               |
| 2007                          | 36,770,924  | 36,770,919                                       | 100.00%               |

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

## **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

| Fiscal<br>Year Ended<br>June 30, | Governmental Activities            |                                     |                   |                                      | Business-Type<br>Activities |                | Percentage of<br>Personal<br>Income (2) | Outstanding<br>Debt Per<br>Capita (3) |
|----------------------------------|------------------------------------|-------------------------------------|-------------------|--------------------------------------|-----------------------------|----------------|---|---------------------------------------|
|                                  | General<br>Obligation<br>Bonds (1) | Certificates<br>of<br>Participation | Capital<br>Leases | Bond<br>Anticipation<br>Notes (BANs) | Capital Leases              | Total District |   |                                       |
| 2016                             | \$ 49,278,000                      | -                                   | \$ 387,624        | -                                    | -                           | \$ 49,665,624  | Unavailable                             | \$ 1,347                              |
| 2015                             | 51,778,000                         | -                                   | 792,453           | -                                    | -                           | 52,570,453     | Unavailable                             | 1,426                                 |
| 2014                             | 54,723,000                         | -                                   | 1,845,723         | -                                    | -                           | 56,568,723     | 3.30%                                   | 1,540                                 |
| 2013                             | 58,806,735                         | -                                   | 696,084           | -                                    | -                           | 59,502,819     | 3.61%                                   | 1,625                                 |
| 2012                             | 61,451,393                         | -                                   | 716,958           | -                                    | -                           | 62,168,351     | 3.83%                                   | 1,698                                 |
| 2011                             | 63,930,421                         | -                                   | 1,433,328         | -                                    | -                           | 65,363,749     | 4.15%                                   | 1,792                                 |
| 2010                             | 66,639,895                         | -                                   | 837,288           | -                                    | -                           | 67,477,183     | 4.49%                                   | 1,865                                 |
| 2009                             | 69,241,368                         | -                                   | 1,301,613         | -                                    | -                           | 70,542,981     | 5.17%                                   | 2,120                                 |
| 2008                             | 71,640,842                         | -                                   | 299,361           | -                                    | -                           | 71,940,203     | 5.27%                                   | 2,176                                 |
| 2007                             | 73,835,316                         | -                                   | 584,821           | -                                    | -                           | 74,420,137     | 5.82%                                   | 2,275                                 |

## Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

| Fiscal Year<br>Ended June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Net Assessed<br>Valuation<br>Taxable (2) | Per Capita (3) |
|-------------------------------|---------------------------------|------------|---|---|----------------|
|                               | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |   |                |
| 2016                          | \$ 49,278,000                   | \$ -       | \$ 49,278,000                             | 1.85%   | \$ 1,337       |
| 2015                          | 51,778,000                      | -          | 51,778,000                                | 1.96%   | 1,405          |
| 2014                          | 54,723,000                      | -          | 54,723,000                                | 2.08%   | 1,490          |
| 2013                          | 58,806,735                      | -          | 58,806,735                                | 2.17%   | 1,606          |
| 2012                          | 61,451,393                      | -          | 61,451,393                                | 2.15%   | 1,679          |
| 2011                          | 63,930,421                      | -          | 63,930,421                                | 2.22%   | 1,753          |
| 2010                          | 66,639,895                      | -          | 66,639,895                                | 2.30%   | 1,841          |
| 2009                          | 69,241,368                      | -          | 69,241,368                                | 2.40%   | 2,081          |
| 2008                          | 71,640,842                      | -          | 71,640,842                                | 2.51%   | 2,167          |
| 2007                          | 73,835,316                      | -          | 73,835,316                                | 5.14%   | 2,257          |

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2015  
*Unaudited*

|   | <u>Gross Debt</u>     | <u>Deductions</u>     | <u>Statutory<br/>Net<br/>Debt<br/>Outstanding</u> | <u>Net Debt<br/>Outstanding<br/>Allocated to<br/>Monroe Township</u> |
|---|-----------------------|-----------------------|---|--|
| Monroe Township School District                                 | \$ 50,953,000         | \$ 50,953,000         |   |  |
| Monroe Township Municipal Utility Authority                     | 17,170,000            |                       | \$ 17,170,000                                     | \$ 17,170,000  |
| Monroe Township   | 21,664,788            | 21,352                | 21,643,436  | 21,643,436   |
|   | <u>89,787,788</u>     | <u>50,974,352</u>     | <u>38,813,436</u>                                 | <u>38,813,436</u>  |
| Overlapping Debt Apportioned to the Municipality:               |                       |                       |   |  |
| County of Gloucester: (1)                                       |                       |                       |   |  |
| General:  |                       |                       |   |  |
| Bonds   | 250,426,000           | 7,866,500 (2)         | 242,559,500 (4)                                   | 25,669,807   |
| Bonds Issued by Other Public Bodies<br>Guaranteed by the County | 202,586,429           | 202,586,429 (3)       |   |  |
|   | <u>453,012,429</u>    | <u>210,452,929</u>    | <u>242,559,500</u>                                | <u>25,669,807</u>  |
|   | <u>\$ 542,800,217</u> | <u>\$ 261,427,281</u> | <u>\$ 281,372,936</u>                             | <u>\$ 64,483,243</u>   |

## Sources:

- (1) County's Annual Debt Statement
- (2) Includes County College Bonds
- (3) Deductible in accordance with N.J.S. 40:37A-80
- (4) Such debt is allocated as a proportion of the Issuer's share of the total 2015 Net Valuation on which County taxes are apportioned, which is 10.58%

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2016**

Equalized valuation basis (1)

|      |                         |
|------|-------------------------|
| 2013 | \$ 2,616,680,974        |
| 2014 | 2,509,326,095           |
| 2015 | <u>2,602,210,797</u>    |
|      | <u>\$ 7,728,217,866</u> |

Average equalized valuation of taxable property

\$ 2,576,072,622

Debt limit (4% of average equalization value) (2)

\$ 103,042,905

Total Net Debt Applicable to Limit

49,278,000

Legal Debt Margin

\$ 53,764,905

|  | Fiscal Year Ended June 30, |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <u>2016</u>                | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          |
| Debt limit   | \$ 103,042,905             | \$ 103,650,810       | \$ 107,059,255       | \$ 112,221,729       | \$ 115,356,384       | \$ 119,287,199       | \$ 118,751,621       | \$ 112,390,289       | \$ 99,445,110        | \$ 86,423,140        |
| Total net debt applicable to limit (3)                               | <u>49,278,000</u>          | <u>51,778,000</u>    | <u>54,723,000</u>    | <u>58,806,735</u>    | <u>61,451,393</u>    | <u>63,930,421</u>    | <u>66,639,895</u>    | <u>69,241,368</u>    | <u>71,640,842</u>    | <u>73,835,316</u>    |
| Legal debt margin  | <u>\$ 53,764,905</u>       | <u>\$ 51,872,810</u> | <u>\$ 52,336,255</u> | <u>\$ 53,414,994</u> | <u>\$ 53,904,991</u> | <u>\$ 55,356,778</u> | <u>\$ 52,111,726</u> | <u>\$ 43,148,920</u> | <u>\$ 27,804,268</u> | <u>\$ 12,587,824</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 47.82%                     | 49.95%               | 51.11%               | 52.40%               | 53.27%               | 53.59%               | 56.12%               | 61.61%               | 72.04%               | 85.43%               |

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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| <u>Year</u> | <u>Population (1)</u> | <u>Personal<br/>Income (2)</u> | <u>Per Capita<br/>Personal<br/>Income (3)</u> | <u>Unemployment<br/>Rate (4)</u> |
|-------------|-----------------------|--------------------------------|---|----------------------------------|
| 2016        | 36,862                | Unavailable                    | Unavailable                                   | Unavailable                      |
| 2015        | 36,862                | Unavailable                    | Unavailable                                   | 6.50%                            |
| 2014        | 36,734                | \$ 1,711,914,602               | \$ 46,603                                     | 8.00%                            |
| 2013        | 36,617                | 1,648,167,787                  | 45,011  | 9.20%                            |
| 2012        | 36,603                | 1,624,880,376                  | 44,392  | 10.40%                           |
| 2011        | 36,472                | 1,576,866,920                  | 43,235  | 10.30%                           |
| 2010        | 36,189                | 1,502,277,768                  | 41,512  | 11.40%                           |
| 2009        | 33,276                | 1,364,016,516                  | 40,991  | 10.80%                           |
| 2008        | 33,057                | 1,365,452,442                  | 41,306  | 6.40%                            |
| 2007        | 32,707                | 1,279,170,770                  | 39,110  | 5.40%                            |

**Source:**

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Principal Employers (Monroe Township)  
Current Year and Ten Years Ago  
*Unaudited*

|  | 2016 (1)         |             |  | 2007 (2)         |             |  |
|--|------------------|-------------|--|------------------|-------------|--|
|  | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Township Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total Township Employment</u> |
| MTS Systems Corporation                | 1,000            | 1           | 18.92%   |                  |             |  |
| Monroe Township School District        | 804              | 2           | 15.21%   |                  |             |  |
| Piramal Glass USA, Inc.                | 365              | 3           | 6.91%  |                  |             |  |
| Shop-rite Supermarkets, Inc.           | 350              | 4           | 6.62%  |                  |             |  |
| Tall Pines Day Camp Inc                | 300              | 5           | 5.68%  |                  |             |  |
| Berat Corporation                      | 250              | 6           | 4.73%  |                  | N/A         |  |
| Lydua Security Monitoring, Inc.        | 200              | 7           | 3.78%  |                  |             |  |
| Sam's West, Inc                        | 200              | 8           | 3.78%  |                  |             |  |
| Meadow View Geriatrics Inc.            | 200              | 9           | 3.78%  |                  |             |  |
| Student Transportation of America, Inc | 150              | 10          | 2.84%  |                  |             |  |
|  |                  |             | 72.26%   |                  |             |  |

(1) Township Wide Information

(2) Unavailable

Source: Monroe

## **Operating Information**

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

| <u>Function/Program</u>                | <u>Fiscal Year Ended June 30,</u> |              |              |              |              |              |              |              |              |              |
|--|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | <u>2016</u>                       | <u>2015</u>  | <u>2014</u>  | <u>2013</u>  | <u>2012</u>  | <u>2011</u>  | <u>2010</u>  | <u>2009</u>  | <u>2008</u>  | <u>2007</u>  |
| Instruction                            |                                   |              |              |              |              |              |              |              |              |              |
| Regular                                | 322.0                             | 328.0        | 320.0        | 359.7        | 348.0        | 344.9        | 325.7        | 338.0        | 331.0        | 314.6        |
| Special education                      | 260.0                             | 258.0        | 230.0        | 105.0        | 104.2        | 96.4         | 94.0         | 93.0         | 92.0         | 88.0         |
| Other special education                |                                   |              | 24.0         | 96.0         | 99.2         | 85.8         | 35.0         | 35.0         | 8.0          | 6.5          |
| Vocational                             | 3.0                               | 2.0          | 2.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Other instruction                      |                                   | 1.0          | 1.0          | 33.8         | 26.0         | 2.9          | 3.0          | 3.0          | 3.0          | 3.0          |
| Nonpublic school programs              |                                   |              |              |              |              |              |              |              | 5.0          | 5.0          |
| Support Services:                      |                                   |              |              |              |              |              |              |              |              |              |
| Solicitor                              |                                   |              |              | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 2.0          | 2.0          |
| Student & instruction related services | 109.0                             | 107.0        | 122.0        | 119.4        | 107.9        | 91.1         | 50.8         | 63.5         | 42.0         | 39.0         |
| General administrative services        | 10.0                              | 10.0         | 8.0          | 10.6         | 8.0          | 6.8          | 8.0          | 9.0          | 8.0          | 13.0         |
| School administrative services         | 53.0                              | 52.0         | 47.0         | 45.3         | 61.5         | 65.7         | 191.0        | 203.5        | 218.0        | 203.0        |
| Business administrative services       | 13.0                              | 12.0         | 12.0         | 9.6          | 9.6          | 9.0          | 10.0         | 10.0         | 9.0          | 7.0          |
| Plant operations and maintenance       | 17.0                              | 19.0         | 21.0         | 2.0          | 2.0          | 12.2         | 2.0          | 2.0          | 2.0          | 2.0          |
| Pupil transportation                   | 4.0                               | 5.0          | 5.0          | 4.8          | 4.6          | 4.6          | 4.0          | 4.0          | 5.0          | 5.0          |
| Admin Info Tech                        | 13.0                              | 12.0         | 3.0          | 4.0          | 4.0          | 8.0          | 15.0         | 12.0         | 11.0         | 10.0         |
| <b>Total</b>                           | <u>804.0</u>                      | <u>806.0</u> | <u>795.0</u> | <u>792.2</u> | <u>777.0</u> | <u>729.4</u> | <u>740.5</u> | <u>775.0</u> | <u>737.0</u> | <u>699.1</u> |

Source: District Records

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

| Fiscal<br>Year<br>Ended<br>June 30, | Enrollment | Operating<br>Expenditures | Cost Per<br>Pupil | Percentage<br>Change | Teaching<br>Staff (b) | Pupil/Teacher Ratio |               |             | Average Daily<br>Enrollment<br>(ADE) | Average Daily<br>Attendance<br>(ADA) | % Change in<br>Average Daily<br>Enrollment | Student<br>Attendance<br>Percentage |
|-------------------------------------|------------|---------------------------|-------------------|----------------------|-----------------------|---------------------|---------------|-------------|--------------------------------------|--------------------------------------|--|-------------------------------------|
|                                     |            |                           |                   |                      |                       | Elementary          | Middle School | High School |                                      |                                      |  |                                     |
| 2016                                | 6,067      | \$ 97,909,146             | \$ 16,138         | 0.41%                | 462                   | 1:13                | 1:13          | 1:14        | 6,072.1                              | 5,775.6                              | 2.86%                                      | 95.12%                              |
| 2015                                | 6,035      | 95,652,353                | 15,850            | 3.91%                | 453                   | 1:14                | 1:13          | 1:13        | 6,035.1                              | 5,749.1                              | 0.52%                                      | 95.26%                              |
| 2014                                | 6,030      | 96,918,642                | 16,073            | 5.37%                | 450                   | 1:14                | 1:13          | 1:13        | 5,903.4                              | 5,647.0                              | -1.67%                                     | 95.66%                              |
| 2013                                | 6,004      | 91,578,091                | 15,253            | 4.16%                | 439                   | 1:14                | 1:13          | 1:14        | 6,003.8                              | 5,470.5                              | -0.86%                                     | 91.12%                              |
| 2012                                | 5,961      | 87,291,586                | 14,644            | 1.79%                | 452                   | 1:15                | 1:13          | 1:13        | 6,055.8                              | 5,758.2                              | -0.02%                                     | 95.09%                              |
| 2011                                | 6,059      | 87,166,235                | 14,386            | -4.07%               | 443                   | 1:15                | 1:13          | 1:12        | 6,056.8                              | 5,758.9                              | 1.38%                                      | 95.08%                              |
| 2010                                | 6,085      | 91,251,824                | 14,996            | -18.43%              | 490                   | 1:9                 | 1:13          | 1:10        | 5,974.1                              | 5,697.5                              | 1.55%                                      | 95.37%                              |
| 2009                                | 5,883      | 108,161,054               | 18,385            | 25.85%               | 443                   | 1:15                | 1:13          | 1:12        | 5,883.1                              | 5,601.0                              | -3.00%                                     | 95.21%                              |
| 2008                                | 6,065      | 88,604,438                | 14,609            | 17.61%               | 468                   | 1:15                | 1:13          | 1:12        | 6,065.0                              | 5,601.4                              | 0.30%                                      | 92.36%                              |
| 2007                                | 6,007      | 74,616,186                | 12,422            | 2.19%                | 452                   | 1:15                | 1:13          | 1:12        | 6,047.0                              | 5,441.0                              | 4.73%                                      | 89.98%                              |

Sources: District Records



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

|   | Fiscal Year Ended June 30, |             |             |             |             |             |             |             |             |             |
|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <u>2016</u>                | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| <b><u>Elementary</u></b>                        |                            |             |             |             |             |             |             |             |             |             |
| Oak Knoll 1917 (1954, 1970)                     |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 80,528                     |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 641                        |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 564                        | 592         | 581         | 564         | 564         | 518         | 505         | 522         | 503         | 530         |
| Whitehall 1967 (1970)                           |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 57,017                     |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 433                        |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 408                        | 418         | 414         | 397         | 397         | 391         | 394         | 409         | 376         | 413         |
| Holly Glen 1967 (1978,1991)                     |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 79,055                     |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 545                        |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 602                        | 569         | 579         | 571         | 571         | 680         | 697         | 673         | 692         | 645         |
| Radix (1981)                                    |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 88,777                     |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 667                        |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 689                        | 730         | 719         | 728         | 728         | 760         | 676         | 760         | 753         | 714         |
| <b><u>Williamstown Middle School (1958)</u></b> |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 313,512                    |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 1,998                      |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 1,957                      | 1,941       | 1,981       | 1,911       | 1,911       | 1,914       | 1,879       | 1,877       | 1,834       | 1,857       |
| <b><u>Williamstown High School (1997)</u></b>   |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 338,067                    |             |             |             |             |             |             |             |             |             |
| Capacity (students)                             | 1,957                      |             |             |             |             |             |             |             |             |             |
| Enrollment                                      | 1,847                      | 1,785       | 1,756       | 1,790       | 1,790       | 1,796       | 1,772       | 1,756       | 1,879       | 1,811       |
| <b><u>Other</u></b>                             |                            |             |             |             |             |             |             |             |             |             |
| Maple Grove Administration Building             |                            |             |             |             |             |             |             |             |             |             |
| Square Feet                                     | 11,281                     | 11,281      | 11,281      | 11,281      | 11,281      | 11,281      | 11,281      | 11,281      | 11,281      | 11,281      |
| Number of Schools at June 30, 2016              |                            |             |             |             |             |             |             |             |             |             |
| Elementary = 4                                  |                            |             |             |             |             |             |             |             |             |             |
| Middle School = 1                               |                            |             |             |             |             |             |             |             |             |             |
| High School = 1                                 |                            |             |             |             |             |             |             |             |             |             |
| Other = 1                                       |                            |             |             |             |             |             |             |             |             |             |

**Source:** District Records

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

| <u>School Facilities</u>       | Fiscal Year Ended June 30, |                   |                   |                     |                   |                   |                   |                   |                   |                   |
|--------------------------------|----------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                | <u>2016</u>                | <u>2015</u>       | <u>2014</u>       | <u>2013</u>         | <u>2012</u>       | <u>2011</u>       | <u>2010</u>       | <u>2009</u>       | <u>2008</u>       | <u>2007</u>       |
| Williamstown HS                | \$ 83,844                  | \$ 107,581        | \$ 179,620        | \$ 86,794           | \$ 124,907        | \$ 104,485        | \$ 80,852         | \$ 129,430        | \$ 219,207        | \$ 228,048        |
| Holly Glen Elementary          | 82,889                     | 23,420            | 19,969            | 23,569              | 28,748            | 243,064           | 43,433            | 43,547            | 59,249            | 34,913            |
| Oak Knoll Elementary           | 33,913                     | 17,384            | 42,981            | 38,437              | 46,170            | 61,296            | 36,629            | 22,693            | 37,133            | 23,513            |
| Radix Elementary               | 41,755                     | 37,088            | 44,988            | 24,311              | 56,561            | 17,323            | 29,605            | 13,582            | 36,147            | 57,091            |
| Whitehall Elementary           | 37,064                     | 28,086            | 14,070            | 20,269              | 13,764            | 20,763            | 23,463            | 17,019            | 44,459            | 21,083            |
| Williamstown MS                | 96,723                     | 111,080           | 161,712           | 714,065             | 164,145           | 7,701             | 101,529           | 128,429           | 213,888           | 121,400           |
| Undistributed                  | 165,015                    | 151,610           | 141,482           | 133,909             | 117,581           |                   |                   |                   |                   |                   |
| <b>Total School Facilities</b> | <b>\$ 541,203</b>          | <b>\$ 476,249</b> | <b>\$ 604,822</b> | <b>\$ 1,041,354</b> | <b>\$ 551,876</b> | <b>\$ 454,632</b> | <b>\$ 315,510</b> | <b>\$ 354,701</b> | <b>\$ 610,082</b> | <b>\$ 486,049</b> |

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

**Source:** District Records

## TOWNSHIP OF MONROE SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

*Unaudited*


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|  | <u>Coverage</u>        |          | <u>Deductible</u> |
|--|------------------------|----------|-------------------|
| General & Auto Insurance - School Alliance Insurance Fund (SAIF) | \$ 5,000,000           |          | \$0               |
| Property and Auto Physical Damage - SAIF                         | 250,000,000            | Property | 2,500             |
|  |                        | Auto     | 1,000             |
| Boiler and Machinery - SAIF                                      | 100,000,000            |          | 2,500             |
| Comprehensive Crime Coverage - School Alliance Insurance Fund    |                        |          |                   |
| Money and Securities   | 50,000                 |          | 1,000             |
| Blanket Dishonesty Bond  |                        |          |                   |
| Including Faithful Performance                                   | 500,000                |          | 1,000             |
| Computer Fraud   | 50,000                 |          | 1,000             |
| Forgery and Alteration   | 50,000                 |          | 1,000             |
| Environmental Impairment Liability - SAIF                        | 1,000,000 / 25,000,000 |          | 10,000            |
| Excess Liability - SAIF  | 5,000,000              |          | 0                 |
| School Board Legal Liability - SAIF                              | 5,000,000              |          | 10,000            |
| Workers Compensation - NJSIG                                     | 10,000,000             |          | 0                 |
| Business Administrator/ Board Secretary                          | 400,000                |          | 0                 |
| Student Accident - AIG   | 6,000,000              |          | 0                 |

Source: District Records

**SINGLE AUDIT SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Township of Monroe School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2016. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Monroe School District's, in the County of Gloucester, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal and State Program***

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

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

Management of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Public School Accountant No. CS 01191

Voorhees, New Jersey  
November 30, 2016

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards - Schedule A  
 For the Fiscal Year Ended June 30, 2016

| <u>Pass-through</u><br><u>Grantor/Program Title</u> | <u>CFDA</u><br><u>Number</u> | <u>Federal</u><br><u>FAIN</u><br><u>Number</u> | <u>Pass-Through</u><br><u>Entity Identifying</u><br><u>Number</u> | <u>Award</u><br><u>Amount</u> | <u>Grant Period</u> |           |
|---|------------------------------|--|---|-------------------------------|---------------------|-----------|
|   |                              |  |   |                               | <u>From</u>         | <u>To</u> |
| General Fund:                                       |                              |  |   |                               |                     |           |
| U.S. Department of Health and Human Services:       |                              |  |   |                               |                     |           |
| Passed-through the State Department of Education:   |                              |  |   |                               |                     |           |
| Special Education--Medicaid Initiative              | 93.778                       | 1605NJ5MAP                                     | N/A   | \$ 155,654.30                 | 7-1-15              | 6-30-16   |
| Special Revenue Fund:                               |                              |  |   |                               |                     |           |
| U.S. Department of Education:                       |                              |  |   |                               |                     |           |
| Passed-through State Department of Education:       |                              |  |   |                               |                     |           |
| I.A.S.A. (N.C.L.B.)                                 |                              |  |   |                               |                     |           |
| Title I   | 84.010                       | S010A150030                                    | NCLB552015  | 621,380.00                    | 7-1-14              | 6-30-15   |
| Title I   | 84.010                       | S010A150030                                    | NCLB552016  | 663,630.00                    | 7-1-15              | 6-30-16   |
| Total Title I                                       |                              |  |   |                               |                     |           |
| Title II - Part A                                   | 84.367                       | S367A150029                                    | NCLB552015  | 234,596.00                    | 7-1-14              | 6-30-15   |
| Title II - Part A                                   | 84.367                       | S367A150029                                    | NCLB552016  | 236,295.00                    | 7-1-15              | 6-30-16   |
| Total Title II - Part A                             |                              |  |   |                               |                     |           |
| Title III   | 84.365                       | S365A150030                                    | NCLB552015  | 24,691.00                     | 7-1-14              | 6-30-15   |
| Title III   | 84.365                       | S365A150030                                    | NCLB552016  | 17,352.00                     | 7-1-15              | 6-30-16   |
| Title III - Immigrant                               | 84.365                       | S365A150030                                    | NCLB552016  | 4,572.00                      | 7-1-15              | 6-30-16   |
| Total Title III                                     |                              |  |   |                               |                     |           |
| I.D.E.A. Part B:                                    |                              |  |   |                               |                     |           |
| Basic   | 84.027                       | H027A150100                                    | IDEA540015  | 1,805,817.00                  | 7-1-14              | 6-30-15   |
| Basic   | 84.027                       | H027A150100                                    | IDEA540016  | 1,825,049.00                  | 7-1-15              | 6-30-16   |
| Pre-School  | 84.173                       | H173A150114                                    | IDEA540015  | 91,191.00                     | 7-1-14              | 6-30-15   |
| Pre-School  | 84.173                       | H173A150114                                    | IDEA540016  | 114,220.00                    | 7-1-15              | 6-30-16   |
| Total I.D.E.A. Part B Special Education Cluster     |                              |  |   |                               |                     |           |
| Carl D. Perkins - Secondary                         | 84.048                       | V048A140030                                    | PERK552016  | 32,063.00                     | 7-1-15              | 6-30-16   |
| Total Special Revenue Fund                          |                              |  |   |                               |                     |           |
| Enterprise Fund:                                    |                              |  |   |                               |                     |           |
| U.S. Department of Agriculture:                     |                              |  |   |                               |                     |           |
| Passed-through State Department of Education:       |                              |  |   |                               |                     |           |
| Child Nutrition Cluster:                            |                              |  |   |                               |                     |           |
| Non-Cash Assistance (Food Distribution):            |                              |  |   |                               |                     |           |
| National School Lunch Program                       | 10.555                       | 16161NJ304N1099                                | N/A   | 148,270.85                    | 7-1-14              | 6-30-15   |
| National School Lunch Program                       | 10.555                       | 16161NJ304N1099                                | N/A   | 164,447.09                    | 7-1-15              | 6-30-16   |
| Cash Assistance:                                    |                              |  |   |                               |                     |           |
| School Breakfast Program                            | 10.553                       | 16161NJ304N1099                                | N/A   | 183,018.05                    | 7-1-14              | 6-30-15   |
| School Breakfast Program                            | 10.555                       | 16161NJ304N1099                                | N/A   | 205,625.55                    | 7-1-15              | 6-30-16   |
| National School Lunch Program                       | 10.555                       | 16161NJ304N1099                                | N/A   | 122,437.22                    | 7-1-14              | 6-30-15   |
| National School Lunch Program                       | 10.556                       | 16161NJ304N1099                                | N/A   | 783,209.44                    | 7-1-15              | 6-30-16   |
| Special Milk Program                                | 10.556                       | 16161NJ304N1099                                | N/A   | 1,043.77                      | 7-1-14              | 6-30-15   |
| Special Milk Program                                | 10.556                       | 16161NJ304N1099                                | N/A   | 5,049.92                      | 7-1-15              | 6-30-16   |
| Total Child Nutrition Cluster                       |                              |  |   |                               |                     |           |
| Total Federal Financial Assistance                  |                              |  |   |                               |                     |           |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards - Schedule A  
 For the Fiscal Year Ended June 30, 2016

| Balance June 30, 2015                  |                |                 | Budgetary Expenditures |              |                              |                                 | Balance June 30, 2016 |                  |                |  |
|--|----------------|-----------------|------------------------|--------------|------------------------------|---------------------------------|-----------------------|------------------|----------------|--|
| Unearned Revenue (Accounts Receivable) | Due to Grantor | Cash Received   | Pass-Through Funds     | Direct Funds | Total Budgetary Expenditures | Passed-Through to Subrecipients | Accounts Receivable   | Unearned Revenue | Due to Grantor |  |
| \$ (52,519.90)                         | \$ -           | \$ 155,947.26   | \$ 152,890.75          | \$ -         | \$ 152,890.75                | \$ -                            | \$ (49,463.39)        | \$ -             | \$ -           |  |
| (192,272.00)                           |                | 192,272.00      |                        |              |                              |                                 | (231,113.00)          |                  |                |  |
|  |                | 388,869.00      | 619,982.00             |              | 619,982.00                   |                                 |                       |                  |                |  |
| (192,272.00)                           | -              | 581,141.00      | 619,982.00             | -            | 619,982.00                   | -                               | (231,113.00)          | -                | -              |  |
| (69,051.00)                            |                | 69,051.00       |                        |              |                              |                                 | (68,180.00)           |                  |                |  |
|  |                | 101,329.00      | 169,509.00             |              | 169,509.00                   |                                 |                       |                  |                |  |
| (69,051.00)                            | -              | 170,380.00      | 169,509.00             | -            | 169,509.00                   | -                               | (68,180.00)           | -                | -              |  |
| (2,920.00)                             |                | 2,920.00        |                        |              |                              |                                 | (4,485.00)            |                  |                |  |
|  |                | 5,631.00        | 10,116.00              |              | 10,116.00                    |                                 |                       |                  |                |  |
|  |                | 2,780.00        | 3,580.00               |              | 3,580.00                     |                                 | (800.00)              |                  |                |  |
| (2,920.00)                             | -              | 11,331.00       | 13,696.00              | -            | 13,696.00                    | -                               | (5,285.00)            | -                | -              |  |
| (248,750.00)                           |                | 248,750.00      |                        |              |                              |                                 |                       |                  |                |  |
|  |                | 1,145,594.00    | 1,715,968.00           |              | 1,715,968.00                 |                                 | (570,374.00)          |                  |                |  |
| (2,438.00)                             |                | 2,438.00        |                        |              |                              |                                 |                       |                  |                |  |
|  |                | 52,312.00       | 74,646.00              |              | 74,646.00                    |                                 | (32,380.00)           | 10,046.00        |                |  |
| (251,188.00)                           | -              | 1,449,094.00    | 1,790,614.00           | -            | 1,790,614.00                 | -                               | (602,754.00)          | 10,046.00        | -              |  |
| -                                      | -              | 30,685.00       | 32,063.00              | -            | 32,063.00                    | -                               | (1,378.00)            | -                | -              |  |
| (515,431.00)                           | -              | 2,242,631.00    | 2,625,864.00           | -            | 2,625,864.00                 | -                               | (908,710.00)          | 10,046.00        | -              |  |
| 17,228.88                              |                |                 | 17,228.88              |              | 17,228.88                    |                                 |                       |                  |                |  |
|  |                | 164,447.09      | 153,689.25             |              | 153,689.25                   |                                 |                       | 10,757.84        |                |  |
| (31,596.42)                            |                | 31,596.42       |                        |              |                              |                                 | (35,028.66)           |                  |                |  |
|  |                | 170,596.89      | 205,625.55             |              | 205,625.55                   |                                 |                       |                  |                |  |
| (122,437.22)                           |                | 122,437.22      |                        |              |                              |                                 | (119,883.34)          |                  |                |  |
|  |                | 663,326.10      | 783,209.44             |              | 783,209.44                   |                                 |                       |                  |                |  |
| (1,043.77)                             |                | 1,043.77        |                        |              |                              |                                 | (804.85)              |                  |                |  |
|  |                | 4,245.07        | 5,049.92               |              | 5,049.92                     |                                 |                       |                  |                |  |
| (137,848.53)                           | -              | 1,157,692.56    | 1,164,803.04           | -            | 1,164,803.04                 | -                               | (155,716.85)          | 10,757.84        | -              |  |
| \$ (705,799.43)                        | \$ -           | \$ 3,556,270.82 | \$ 3,943,557.79        | \$ -         | \$ 3,943,557.79              | \$ -                            | \$ (1,113,890.24)     | \$ 20,803.84     | \$ -           |  |



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2016

| <u>State Grantor/<br/>Program Title</u>        | <u>State Project<br/>Number</u> | <u>Program or<br/>Award<br/>Amount</u> | <u>Matching</u> | <u>Grant Period</u> |           | <u>Balance June 30, 2015</u>                               |                           |
|--|---------------------------------|--|-----------------|---------------------|-----------|--|---------------------------|
|  |                                 |  |                 | <u>From</u>         | <u>To</u> | <u>Unearned<br/>Revenue/<br/>(Accounts<br/>Receivable)</u> | <u>Due to<br/>Grantor</u> |
| General Fund:                                  |                                 |  |                 |                     |           |  |                           |
| State Department of Education:                 |                                 |  |                 |                     |           |  |                           |
| State Aid - Public Cluster:                    |                                 |  |                 |                     |           |  |                           |
| Equalization Aid                               | 15-495-034-5120-078             | \$ 29,851,073.00                       | N/A             | 7-1-14              | 6-30-15   | \$ (2,833,843.62)  |                           |
| Equalization Aid                               | 16-495-034-5120-089             | 29,851,073.00                          | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Special Education Categorical Aid              | 15-495-034-5120-084             | 3,338,740.00                           | N/A             | 7-1-14              | 6-30-15   | (316,955.68)   |                           |
| Special Education Categorical Aid              | 16-495-034-5120-084             | 3,338,740.00                           | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Security Aid                                   | 15-495-034-5120-084             | 648,933.00                             | N/A             | 7-1-14              | 6-30-15   | (61,604.98)  |                           |
| Security Aid                                   | 16-495-034-5120-096             | 648,933.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Under Adequacy Aid                             | 15-495-034-5120-096             | 138,556.00                             | N/A             | 7-1-14              | 6-30-15   | (13,153.50)  |                           |
| Under Adequacy Aid                             | 16-495-034-5120-097             | 138,556.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Per Pupil Growth Aid                           | 15-495-034-5120-097             | 59,305.00                              | N/A             | 7-1-14              | 6-30-15   | (5,629.99)   |                           |
| Per Pupil Growth Aid                           | 16-495-034-5120-098             | 59,305.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| PARCC Readiness Aid                            | 15-495-034-5120-098             | 59,305.00                              | N/A             | 7-1-14              | 6-30-15   | (5,629.99)   |                           |
| PARCC Readiness Aid                            | 16-495-034-5120-098             | 59,305.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| <b>Total State Aid - Public Cluster</b>        |                                 |  |                 |                     |           | <b>(3,236,817.76)</b>                                      | <b>\$ -</b>               |
| Transportation Aid:                            |                                 |  |                 |                     |           |  |                           |
| Categorical Transportation Aid                 | 15-495-034-5120-014             | 432,551.00                             | N/A             | 7-1-14              | 6-30-15   | (41,063.24)  |                           |
| Categorical Transportation Aid                 | 16-495-034-5120-014             | 432,551.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Additional Nonpublic School Transportation Aid | 15-495-034-5120-014             | 20,824.00                              | N/A             | 7-1-14              | 6-30-15   | (20,824.00)  |                           |
| Additional Nonpublic School Transportation Aid | 16-495-034-5120-014             | 35,494.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| <b>Total Transportation Aid:</b>               |                                 |  |                 |                     |           | <b>(61,887.24)</b>   | <b>-</b>                  |
| Extraordinary Aid                              |                                 |  |                 |                     |           |  |                           |
| Extraordinary Aid                              | 15-100-034-5120-473             | 241,029.00                             | N/A             | 7-1-14              | 6-30-15   | (229,902.00)   |                           |
| Extraordinary Aid                              | 16-100-034-5120-473             | 268,020.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| <b>Total Extraordinary Aid</b>                 |                                 |  |                 |                     |           | <b>(229,902.00)</b>  | <b>-</b>                  |
| T.P.A.F. Social Security Aid                   |                                 |  |                 |                     |           |  |                           |
| T.P.A.F. Social Security Aid                   | 15-495-034-5095-002             | 2,491,530.20                           | N/A             | 7-1-14              | 6-30-15   | (224,499.15)   |                           |
| T.P.A.F. Social Security Aid                   | 16-495-034-5095-002             | 2,511,561.33                           | N/A             | 7-1-15              | 6-30-16   |  |                           |
| <b>Total T.P.A.F. Social Security Aid</b>      |                                 |  |                 |                     |           | <b>(224,499.15)</b>  | <b>-</b>                  |
| <b>Total General Fund</b>                      |                                 |  |                 |                     |           | <b>(3,753,106.15)</b>                                      | <b>-</b>                  |
| Special Revenue Fund:                          |                                 |  |                 |                     |           |  |                           |
| State Department of Education:                 |                                 |  |                 |                     |           |  |                           |
| Nonpublic Aid:                                 |                                 |  |                 |                     |           |  |                           |
| Nursing Services                               | 16-100-034-5120-070             | 45,270.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Textbook Aid (Ch. 194, L. 1977)                | 15-100-034-5120-064             | 30,684.00                              | N/A             | 7-1-14              | 6-30-15   |  | 109.00                    |
| Textbook Aid (Ch. 194, L. 1977)                | 16-100-034-5120-064             | 28,721.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Technology Initiative                          | 15-100-034-5120-373             | 16,480.00                              | N/A             | 7-1-14              | 6-30-15   |  | 147.00                    |
| Technology Initiative                          | 16-100-034-5120-373             | 13,078.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Security Aid                                   | 16-100-034-5120-509             | 12,575.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Auxiliary Services (Ch. 192, L. 1977)          |                                 |  |                 |                     |           |  |                           |
| Compensatory Education                         | 15-100-034-5120-067             | 173,785.00                             | N/A             | 7-1-14              | 6-30-15   |  | 24,186.00                 |
| Compensatory Education                         | 16-100-034-5120-067             | 159,984.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| English as a Second Language                   | 15-100-034-5120-067             | 5,481.00                               | N/A             | 7-1-14              | 6-30-15   |  | 4,750.00                  |
| English as a Second Language                   | 16-100-034-5120-067             | 863.00                                 | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Transportation                                 | 15-100-034-5120-067             | 27,392.00                              | N/A             | 7-1-14              | 6-30-15   |  | 2,354.00                  |
| Transportation                                 | 16-100-034-5120-067             | 20,392.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Home Instruction                               | 15-100-034-5120-067             | 623.00                                 | N/A             | 7-1-14              | 6-30-15   | (623.00)   |                           |
| Home Instruction                               | 16-100-034-5120-067             | 6,907.00                               | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Handicapped Services (Ch. 193, L. 1977)        |                                 |  |                 |                     |           |  |                           |
| Examination and Classification                 | 15-100-034-5120-066             | 81,949.00                              | N/A             | 7-1-14              | 6-30-15   |  | 1,444.00                  |
| Examination and Classification                 | 16-100-034-5120-066             | 71,088.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Corrective Speech                              | 15-100-034-5120-066             | 69,797.00                              | N/A             | 7-1-14              | 6-30-15   |  | 14,578.00                 |
| Corrective Speech                              | 16-100-034-5120-066             | 66,551.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Supplementary Instruction                      | 15-100-034-5120-066             | 42,844.00                              | N/A             | 7-1-14              | 6-30-15   |  | 78.00                     |
| Supplementary Instruction                      | 16-100-034-5120-066             | 48,862.00                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| <b>Total Special Revenue Fund</b>              |                                 |  |                 |                     |           | <b>(623.00)</b>  | <b>47,646.00</b>          |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2016

| Cash Received   | Adjustments | Budgetary Expenditures | Passed-Through to Subrecipients | Repayment of Prior Years' Balances | Balance June 30, 2016 |                  |                | Memo                               |                               |
|-----------------|-------------|------------------------|---------------------------------|------------------------------------|-----------------------|------------------|----------------|------------------------------------|-------------------------------|
|                 |             |                        |                                 |                                    | Accounts Receivable   | Unearned Revenue | Due to Grantor | Budgetary Receivable June 30, 2016 | Cumulative Total Expenditures |
| \$ 2,833,843.62 |             |                        |                                 |                                    |                       |                  |                |                                    | \$ 29,851,073.00              |
| 27,005,544.31   |             | \$ 29,851,073.00       |                                 |                                    | \$ (2,845,528.69)     |                  |                | \$ (2,845,528.69)                  | 29,851,073.00                 |
| 316,955.68      |             |                        |                                 |                                    |                       |                  |                |                                    | 3,338,740.00                  |
| 3,020,477.39    |             | 3,338,740.00           |                                 |                                    | (318,262.61)          |                  |                | (318,262.61)                       | 3,338,740.00                  |
| 61,604.98       |             |                        |                                 |                                    |                       |                  |                |                                    | 648,933.00                    |
| 587,074.00      |             | 648,933.00             |                                 |                                    | (61,859.00)           |                  |                | (61,859.00)                        | 648,933.00                    |
| 13,153.50       |             |                        |                                 |                                    |                       |                  |                |                                    | 138,556.00                    |
| 125,348.26      |             | 138,556.00             |                                 |                                    | (13,207.74)           |                  |                | (13,207.74)                        | 138,556.00                    |
| 5,629.99        |             |                        |                                 |                                    |                       |                  |                |                                    | 59,305.00                     |
| 53,651.80       |             | 59,305.00              |                                 |                                    | (5,653.20)            |                  |                | (5,653.20)                         | 59,305.00                     |
| 5,629.99        |             |                        |                                 |                                    |                       |                  |                |                                    | 59,305.00                     |
| 53,651.80       |             | 59,305.00              |                                 |                                    | (5,653.20)            |                  |                | (5,653.20)                         | 59,305.00                     |
| 34,082,565.32   | \$ -        | 34,095,912.00          | \$ -                            | \$ -                               | (3,250,164.44)        | \$ -             | \$ -           | (3,250,164.44)                     | 68,191,824.00                 |
| 41,063.24       |             |                        |                                 |                                    |                       |                  |                |                                    | 432,551.00                    |
| 391,318.44      |             | 432,551.00             |                                 |                                    | (41,232.56)           |                  |                | (41,232.56)                        | 432,551.00                    |
| 20,824.00       |             |                        |                                 |                                    |                       |                  |                |                                    | 20,824.00                     |
|                 |             | 35,494.00              |                                 |                                    | (35,494.00)           |                  |                |                                    | 35,494.00                     |
| 453,205.68      | -           | 468,045.00             | -                               | -                                  | (76,726.56)           | -                | -              | (41,232.56)                        | 921,420.00                    |
| 232,302.00      |             |                        |                                 |                                    |                       |                  |                |                                    | 241,029.00                    |
|                 |             | 268,020.00             |                                 |                                    | (268,020.00)          |                  |                |                                    | 268,020.00                    |
| 232,302.00      | -           | 268,020.00             | -                               | -                                  | (268,020.00)          | -                | -              | -                                  | 509,049.00                    |
| 224,499.15      |             |                        |                                 |                                    |                       |                  |                |                                    | 2,491,530.20                  |
| 2,287,125.64    |             | 2,511,561.33           |                                 |                                    | (224,435.69)          |                  |                |                                    | 2,511,561.33                  |
| 2,511,624.79    | -           | 2,511,561.33           | -                               | -                                  | (224,435.69)          | -                | -              | -                                  | 5,003,091.53                  |
| 37,279,697.79   | -           | 37,343,538.33          | -                               | -                                  | (3,819,346.69)        | -                | -              | (3,291,397.00)                     | 74,625,384.53                 |
| 45,270.00       |             | 45,270.00              |                                 |                                    |                       |                  |                |                                    | 45,270.00                     |
| 28,721.00       |             | 28,385.00              |                                 | 109.00                             |                       |                  | 336.00         |                                    | 30,575.00                     |
| 13,078.00       |             | 12,853.00              |                                 | 147.00                             |                       |                  | 225.00         |                                    | 28,385.00                     |
| 12,575.00       |             | 12,514.00              |                                 |                                    |                       |                  | 61.00          |                                    | 16,333.00                     |
| 159,984.00      |             | 156,425.00             |                                 | 24,186.00                          |                       |                  | 3,559.00       |                                    | 12,853.00                     |
| 863.00          |             |                        |                                 | 4,750.00                           |                       |                  |                |                                    | 12,514.00                     |
| 20,392.00       |             | 20,143.00              |                                 | 2,354.00                           |                       |                  | 863.00         |                                    | 149,599.00                    |
| 623.00          |             | 6,907.00               |                                 |                                    | (6,907.00)            |                  |                |                                    | 156,425.00                    |
| 71,088.00       |             | 67,852.00              |                                 | 1,444.00                           |                       |                  | 249.00         |                                    | 731.00                        |
| 66,551.00       |             | 62,198.00              |                                 | 14,578.00                          |                       |                  |                |                                    | 25,038.00                     |
| 48,862.00       |             | 48,862.00              |                                 | 78.00                              |                       |                  |                |                                    | 20,143.00                     |
| 468,007.00      | -           | 461,409.00             | -                               | 47,646.00                          | (6,907.00)            | -                | 12,882.00      | -                                  | 623.00                        |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 13,814.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 80,505.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 67,852.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 55,219.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 62,198.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 42,766.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 48,862.00                     |
|                 |             |                        |                                 |                                    |                       |                  |                |                                    | 869,705.00                    |

(Continued)

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2016

| <u>State Grantor/<br/>Program Title</u>   | <u>State Project<br/>Number</u> | <u>Program or<br/>Award<br/>Amount</u> | <u>Matching</u> | <u>Grant Period</u> |           | <u>Balance June 30, 2015</u>                               |                           |
|---|---------------------------------|--|-----------------|---------------------|-----------|--|---------------------------|
|   |                                 |  |                 | <u>From</u>         | <u>To</u> | <u>Unearned<br/>Revenue/<br/>(Accounts<br/>Receivable)</u> | <u>Due to<br/>Grantor</u> |
| Capital Projects Fund:  |                                 |  |                 |                     |           |  |                           |
| New Jersey School Development Authority:  |                                 |  |                 |                     |           |  |                           |
| Education Facilities Construction Grant   | 3280-090-13-1006-G04            | \$ 325,271.00                          | \$ 272,730.00   | 11-28-14            | open      | \$ (105,801.38)  | \$ -                      |
| Debt Service Fund:  |                                 |  |                 |                     |           |  |                           |
| State Department of Education:  |                                 |  |                 |                     |           |  |                           |
| Debt Service Aid  | 16-495-034-5120-075             | 1,082,000.00                           | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Enterprise Fund:  |                                 |  |                 |                     |           |  |                           |
| State School Lunch Aid  | 15-100-010-3350-023             | 21,434.49                              | N/A             | 7-1-14              | 6-30-15   | (3,958.00)   |                           |
| State School Lunch Aid  | 16-100-010-3350-023             | 20,926.66                              | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Total Enterprise Fund   |                                 |  |                 |                     |           | (3,958.00)   |                           |
| Total State Financial Assistance  |                                 |  |                 |                     |           | (3,863,488.53)   | 47,646.00                 |
| State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit: |                                 |  |                 |                     |           |  |                           |
| General Fund (Non-Cash Assistance):   |                                 |  |                 |                     |           |  |                           |
| New Jersey Department of the Treasury:  |                                 |  |                 |                     |           |  |                           |
| On-behalf T.P.A.F. Pension Contributions  |                                 |  |                 |                     |           |  |                           |
| Normal Cost   | 495-034-5094-002                | 2,651,720.00                           | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Non-contributory Insurance  | 495-034-5094-004                | 125,824.00                             | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Post Retirement Medical   | 495-034-5094-001                | 3,157,467.00                           | N/A             | 7-1-15              | 6-30-16   |  |                           |
| Total General Fund (Non-Cash Assistance)  |                                 |  |                 |                     |           | -  | -                         |
| Total State Financial Assistance  |                                 |  |                 |                     |           | <u>\$ (3,863,488.53)</u>                                   | <u>\$ 47,646.00</u>       |

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

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance - Schedule B  
 For the Fiscal Year Ended June 30, 2016

| Cash<br>Received        | Adjustments | Budgetary<br>Expenditures | Passed-<br>Through to<br>Subrecipients | Repayment of<br>Prior Years'<br>Balances | Balance June 30, 2016    |                     |                     | Memo                                     |                                     |
|-------------------------|-------------|---------------------------|--|--|--------------------------|---------------------|---------------------|--|-------------------------------------|
|                         |             |                           |  |  | Accounts<br>Receivable   | Unearned<br>Revenue | Due to<br>Grantor   | Budgetary<br>Receivable<br>June 30, 2016 | Cumulative<br>Total<br>Expenditures |
| \$ -                    | \$ -        | \$ 191,616.53             |  | \$ -                                     | \$ (297,417.91)          | \$ -                | \$ -                | \$ (297,417.91)                          | \$ 297,417.91                       |
| 1,082,000.00            |             | 1,082,000.00              |  |  |                          |                     |                     |  | 1,082,000.00                        |
| 3,958.00                |             |                           |  |  |                          |                     |                     |  | 21,434.49                           |
| 17,745.85               |             | 20,926.66                 |  |  | (3,180.81)               |                     |                     |  | 20,926.66                           |
| 21,703.85               |             | 20,926.66                 |  |  | (3,180.81)               |                     |                     | -  | 42,361.15                           |
| 38,851,408.64           | -           | 39,099,490.52             | -                                      | 47,646.00                                | (4,126,852.41)           | -                   | 12,882.00           | (3,588,814.91)                           | 76,916,868.59                       |
| 2,651,720.00            |             | 2,651,720.00              |  |  |                          |                     |                     |  | 2,651,720.00                        |
| 125,824.00              |             | 125,824.00                |  |  |                          |                     |                     |  | 125,824.00                          |
| 3,157,467.00            |             | 3,157,467.00              |  |  |                          |                     |                     |  | 3,157,467.00                        |
| 5,935,011.00            | -           | 5,935,011.00              | -                                      | -  | -                        | -                   | -                   | -  | 5,935,011.00                        |
| <u>\$ 44,786,419.64</u> | <u>\$ -</u> | <u>\$ 45,034,501.52</u>   | <u>\$ -</u>                            | <u>\$ 47,646.00</u>                      | <u>\$ (4,126,852.41)</u> | <u>\$ -</u>         | <u>\$ 12,882.00</u> | <u>\$ (3,588,814.91)</u>                 | <u>\$ 82,851,879.59</u>             |

**TOWNSHIP OF MONROE SCHOOL DISTRICT**

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2016

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**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Monroe School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Notes to the Schedules of Expenditures of Federal Awards  
and State Financial Assistance (Cont'd)**

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$13,516.00 for the general fund and \$21,165.86 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

| <u>Fund</u>      | <u>Federal</u>         | <u>State</u>            | <u>Total</u>            |
|------------------|------------------------|-------------------------|-------------------------|
| General          | \$ 152,890.75          | \$ 37,343,538.33        | \$ 37,496,429.08        |
| Special Revenue  | 2,625,864.00           | 461,409.00              | 3,087,273.00            |
| Capital Projects |                        | 191,616.53              | 191,616.53              |
| Debt Service     |                        | 1,082,000.00            | 1,082,000.00            |
| Food Service     | 1,164,803.04           | 20,926.66               | 1,185,729.70            |
|                  | <u>\$ 3,943,557.79</u> | <u>\$ 39,099,490.52</u> | <u>\$ 43,043,048.31</u> |

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

**Note 6: MAJOR PROGRAMS**

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? \_\_\_ yes X no
Significant deficiency(ies) identified? \_\_\_ yes X none reported
Noncompliance material to financial statements noted? \_\_\_ yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? \_\_\_ yes X no
Significant deficiency(ies) identified? \_\_\_ yes X none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? \_\_\_ yes X no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes entries for 84.010A (NCLB - Title I), 84.027 (IDEA Part B--Basic), and 84.173 (IDEA Part B--Preschool).

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

Auditee qualified as low-risk auditee? X yes \_\_\_ no

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

State Aid - Public Cluster:

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include: 495-034-5120-078 Equalization Aid, 495-034-5120-089 Special Education Categorical Aid, 495-034-5120-084 Security Aid, 495-034-5120-096 Under Adequacy Aid, 495-034-5120-097 Per Pupil Growth Aid, 495-034-5120-098 PARCC Readiness, 495-034-5120-014 Transportation Aid.

Dollar threshold used to determine Type A programs \$ 1,172,985.00

Auditee qualified as low-risk auditee? X yes \_\_\_ no



**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 2- Schedule of Financial Statement Findings***

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

**None**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**None**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2016

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

**None**

**TOWNSHIP OF MONROE SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**None**

