

**TOWNSHIP OF MOUNT LAUREL
SCHOOL DISTRICT
MOUNT LAUREL, NEW JERSEY**



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

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INTRODUCTORY SECTION



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Inspiring potential. Enriching futures.

November 15, 2016

Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
County of Burlington, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Township of Mount Laurel School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. 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 governmental activities, the business type activities, and each major fund 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 Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Township of Mount Laurel School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report. The Township of Mount Laurel School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped students. The following details the changes in the student enrollment of the District over the last ten years.

1) REPORTING ENTITY AND ITS SERVICES (CONT'D):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015-16	4,217	-0.003%
2014-15	4,229	+1.29%
2013-14	4,175	+0.80%
2012-13	4,142	-1.69%
2011-12	4,213	-2.06%
2010-11	4,302	-0.94%
2009-10	4,343	-0.13%
2008-09	4,348	-1.40%
2007-08	4,410	-2.14%
2006-07	4,506	-0.74%

2) ECONOMIC CONDITIONS AND OUTLOOK: Commercial development, population and residential housing construction within the Township have remained relatively unchanged over the past couple of years. The Township's population has more than tripled over the past 30 years. The latest official census of 2010 recorded the population at 41,864 residents.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS: Major initiatives and accomplishments for 2015-2016 in the academic, instructional and operational programs include the following:

After an extensive Search Process involving staff and public input, the Mount Laurel Board of Education selected Mr. George J. Rafferty to serve as Mount Laurel's Superintendent of Schools.

Thomas E. Harrington Middle School launched its first National Junior Honor Society Chapter for eligible students in Grades 7 and 8.

Twenty new certified staff members were hired to replace positions vacated by retirement or resignation. Six Child Study Team Members and 14 Teachers were selected from over 2,638 applications.

Mount Laurel School District's Technology Curriculum for Grades Pre-K through 8th-Grade was revised to meet Core Curriculum Content Standards and provide significant updates to all grade levels.

The Mount Laurel Education Fund, Inc. donated \$30,000 to the Board of Education representing proceeds from the "21st Annual Driving To The Green Golf Tournament" held in September of 2015. These funds, coupled with support from Mount Laurel's seven Parent-Teacher Organizations, retained after-school clubs and extracurricular activities across the district.

Harrington Middle School received a \$3,000 grant from the Teen Science Café organization allowing STEM Club Team Members to bring in high quality guest speakers in the area of Science, Technology, Engineering and Math.

The Mount Laurel Emergency Procedures Manual was revised to comply with the Memorandum of Agreement Between Education and Law Enforcement Officials, the New Jersey Department of Education School Safety and Security Plans Minimum Requirement dated August 2011 and in consultation with Mount Laurel Police, Fire and Emergency Management Officials.

Fifteen students were recognized for award-winning submissions to the district School Bus Safety Poster Contest. Also recognized were five bus drivers for their efforts in coordinating the Contest.

Five Harrington Middle School students were selected by audition for regional and state honors band and orchestra. Six students were chosen for the All South Jersey Band, two students for the Olympic Conference Honors Band, and two for the All South Jersey Band.

Ten Hartford School students were selected by audition for regional and state honors band and orchestra. Two students were chosen for the All South Jersey Band and three students for the Olympic Conference Honors Band.

3) MAJOR INITIATIVES AND ACCOMPLISHMENTS (CONT'D):

Mount Laurel Schools received a \$15,000 grant from The Sallie Mae Foundation for Science, Technology, Engineering and Math (STEM) initiatives.

Mount Laurel Schools received a \$10,000 grant from the Federal Naval Air Grant with Lakehurst Naval Air Station for the Harrington STEM program.

Mount Laurel's technology program was advanced via an initiative to place additional Chromebook computer carts in each school for student and testing use.

A large number of teacher computers were replaced with cost-efficient pc laptop units.

Mount Laurel School District participated in the Mount Laurel Fall Festival and hosted A Taste of Mount Laurel, both widely-attended community events.

Mount Laurel's TIME Mentor Program provided one-on-one mentors to approximately 70 students on a volunteer basis.

Six Mount Laurel students were celebrated for their participation in the Jump Into Reading Program sponsored by Assemblyman Troy Singleton's office. The top reader overall in the competition was a fourth-grade student from our Larchmont School.

Mount Laurel Board Education honored 24 retiring staff members after extensive service to the district, as well as 14 staff members who had reached the 25-year mile mark in their careers in the district.

The Board of Education presented an award of recognition to Larchmont School staff members for their quick and decisive action during a medical emergency suffered by a student.

The Board of Education presented an award of recognition to two Harrington Middle School Coaches, a Mount Laurel Bus Driver, and a team parent, for their actions to safeguard members of the boys' baseball team during an emergency situation at an away game on April 21, 2016.

The Board of Education presented an award of recognition to a Mount Laurel Bus Driver William Hillman who assisted fellow transportation staff members following an accident on April 12, 2016.

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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

5) BUDGETARY CONTROLS (CONT'D): 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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

9) RISK MANAGEMENT: The District carries various forms of insurance, including but not limited to workers compensation insurance, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, cyber liability, and fidelity bonds.

A professional appraisal firm is retained by the District to provide up-to-date insurable values of equipment, property and buildings.

The District is a member of the Burlington County Insurance Pool - Joint Insurance Fund.

10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*" The auditor's report on the basic financial statements, required supplemental information and supplemental information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGEMENTS: The preparation of this report would not have been possible without the dedication and skill of the Business Office staff. We would also like to express our appreciation to the members of the Township of Mount Laurel School District Board of Education for their support in providing a sound financial operation.

Respectfully Submitted,

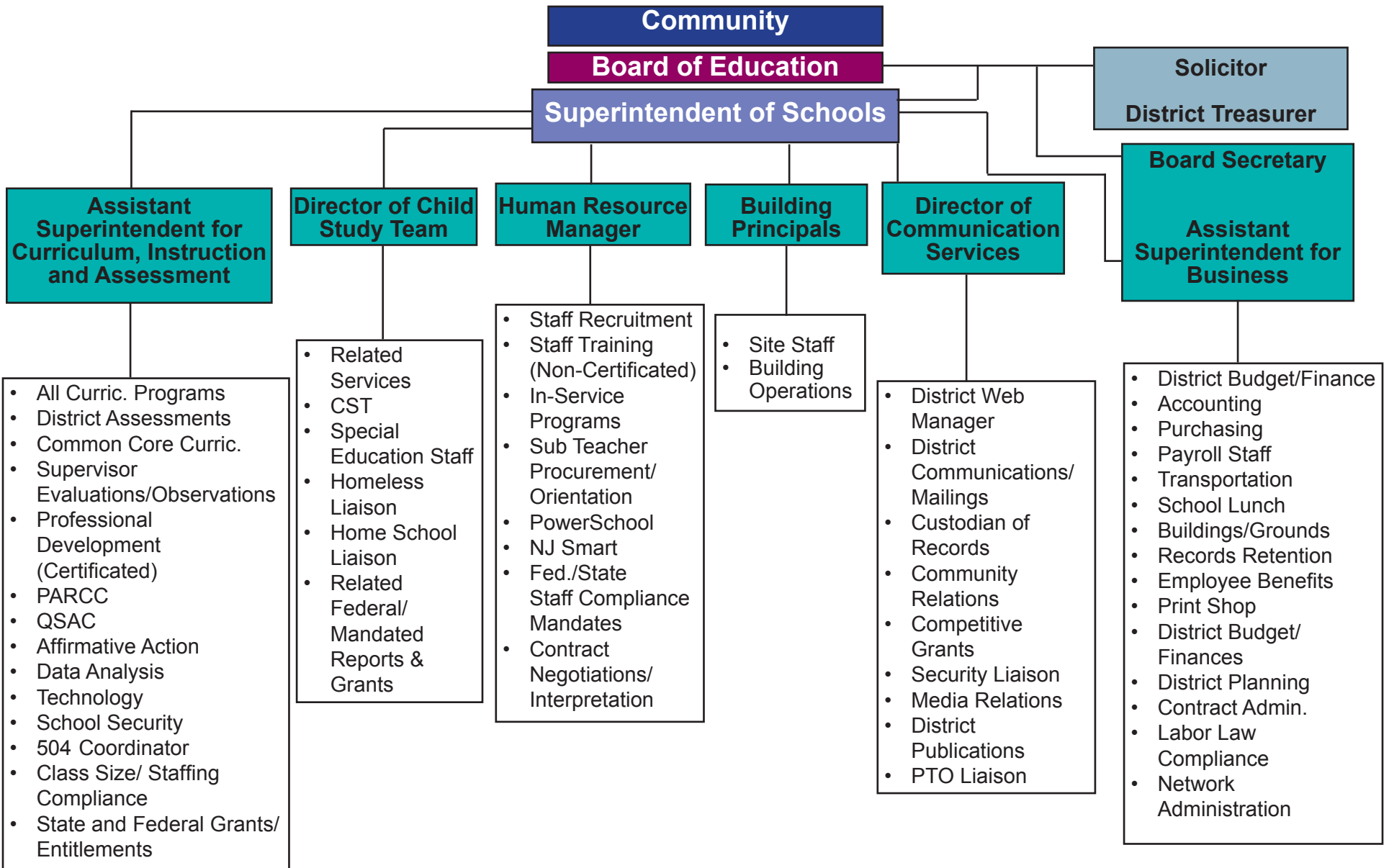


George J. Rafferty
Superintendent

Respectfully Submitted,



Robert F. Wachter Jr.
Assistant Superintendent for Business/
Board Secretary



TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2016

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Maureen Sojka, President	2018
Mark Jones, Vice President	2016
Diane Blair	2017
Christine Dickson	2017
Melissa DeClementi	2018
Michael Gallagher	2016
Margaret Haynes	2017
Scott Jones	2016
Leigh Ann Erlanger	2016

OTHER OFFICIALS

George J. Rafferty, Superintendent

Dr. Sharon A. Vitella, Assistant Superintendent

Robert F. Wachter, Jr., Assistant Superintendent for Business / Board Secretary

Barbara Krumpe, Treasurer of School Monies

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

June 30, 2016

AUDIT FIRM

Bowman & Company LLP
Certified Public Accountants & Consultants
6 North Broad Street, Suite 201
Woodbury, New Jersey 08096

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

TD Bank
201 Ark Road
Mount Laurel, New Jersey 08054

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Mount Laurel School District
Mount Laurel, New Jersey 08054

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 Mount Laurel School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the 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 Mount Laurel School District, in the County of Burlington, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, and schedule of the School District's contributions, 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 Mount Laurel 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 15, 2016, on our consideration of the Township of Mount Laurel 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 Mount Laurel School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Henry J. Ludwigsen

Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
November 15, 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 Mount Laurel School District
Mount Laurel, New Jersey 08054

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 Mount Laurel School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Mount Laurel 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 Mount Laurel 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 Mount Laurel 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the 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



Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
November 15, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The Management's Discussion and Analysis (MD&A) of the Township of Mount Laurel School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the 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 District's financial performance.

Financial Highlights

- The total assets of the District exceeded its total liabilities at the close of the most recent fiscal year by \$19,965,687.75 (net position).
- The District's total net position increased by \$2,438,365.20.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,240,784.92, an increase of \$381,293.34 in comparison with the prior year.
- The District's total Noncurrent Liabilities decreased by \$3,628,198.58.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

TOWNSHIP OF MOUNT LAUREL 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)

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets/deferred outflow of resources and liabilities/deferred inflow of resources – are one way to measure the District's financial health or position.

- Increase or decrease in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The District charges fees to cover the costs of certain services such as the after school program and food services.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on the significant funds – not the District as a whole. Funds are used by the District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The District has three kinds of funds:

- *Governmental funds* – The District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as the after school program and food services.

TOWNSHIP OF MOUNT LAUREL 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)

Fund Financial Statements (Cont'd)

- *Fiduciary funds* – The District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the District is not permitted to use these assets in the District operation.
- *Notes to the Financial Statement* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

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

TABLE 1
Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$14,074,237.09	\$19,558,130.27	\$ (5,483,893.18)	-28.04%
Capital Assets	48,927,864.79	49,687,619.43	(759,754.64)	-1.53%
Total Assets	<u>63,002,101.88</u>	<u>69,245,749.70</u>	<u>(6,243,647.82)</u>	<u>-9.02%</u>
Deferred Outflow of Resources	5,416,096.51	2,822,118.51	2,593,978.00	91.92%
Long-Term Liabilities	40,877,726.59	44,505,925.17	(3,628,198.58)	-8.15%
Other Liabilities	6,664,340.05	1,676,404.82	4,987,935.23	297.54%
Total Liabilities	<u>47,542,066.64</u>	<u>46,182,329.99</u>	<u>1,359,736.65</u>	<u>2.94%</u>
Deferred Inflow of Resources	910,444.00	8,358,215.67	(7,447,771.67)	-89.11%
Net Position:				
Net Investment in Capital Assets	32,146,380.10	30,099,489.41	2,046,890.69	6.80%
Restricted	8,905,395.96	8,527,644.25	377,751.71	4.43%
Unrestricted (Deficit)	<u>(21,086,088.31)</u>	<u>(21,099,811.11)</u>	<u>13,722.80</u>	<u>-0.07%</u>
Total Net Position	<u>\$ 19,965,687.75</u>	<u>\$ 17,527,322.55</u>	<u>\$ 2,438,365.20</u>	<u>13.91%</u>

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Financial Analysis of the District as a Whole (Cont'd)

Table 2 reflects changes in net position for fiscal years 2016 and 2015.

TABLE 2
Change in Net Position

Revenues:	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 3,900,822.20	\$ 3,428,301.46	\$ 472,520.74	13.78%
Operating grants and contributions	18,084,761.86	15,521,347.67	2,563,414.19	16.52%
General Revenues:				
Property taxes	60,175,731.00	59,053,711.00	1,122,020.00	1.90%
Federal & State Grants	5,631,271.19	4,941,059.23	690,211.96	13.97%
Other	<u>778,915.37</u>	<u>468,759.74</u>	<u>310,155.63</u>	<u>66.17%</u>
Total Revenues	<u>88,571,501.62</u>	<u>83,413,179.10</u>	<u>5,158,322.52</u>	<u>6.18%</u>
Expenses:				
Governmental activities				
Instruction:				
Regular	22,560,681.88	23,042,078.12	(481,396.24)	-2.09%
Special education	7,655,000.12	7,460,625.54	194,374.58	2.61%
Other special instruction	692,280.25	724,683.72	(32,403.47)	-4.47%
Other instruction	331,334.91	268,517.64	62,817.27	23.39%
Support services:				
Tuition	1,196,615.86	1,173,182.66	23,433.20	2.00%
Student and instruction related	6,576,145.93	6,243,275.01	332,870.92	5.33%
General administrative services	990,696.81	1,032,190.47	(41,493.66)	-4.02%
School administrative services	2,076,457.12	2,078,346.82	(1,889.70)	-0.09%
Central services	901,849.97	851,507.81	50,342.16	5.91%
Administrative information technology	585,184.09	622,030.45	(36,846.36)	-5.92%
Plant operations and maintenance	6,969,368.09	5,973,267.13	996,100.96	16.68%
Pupil transportation	3,060,991.80	3,136,583.16	(75,591.36)	-2.41%
Unallocated benefits	29,038,485.86	24,460,691.88	4,577,793.98	18.71%
Special schools	381,354.53	354,743.46	26,611.07	7.50%
Interest on long-term debt	600,150.72	713,093.74	(112,943.02)	-15.84%
Unallocated depreciation	<u>410,691.00</u>	<u>89,727.18</u>	<u>320,963.82</u>	<u>357.71%</u>
Total governmental activities expenses	84,027,288.94	78,224,544.79	5,802,744.15	7.42%
Business Type Activities				
Food Service	1,203,485.93	1,240,012.93	(36,527.00)	-2.95%
Child Care	<u>840,986.55</u>	<u>881,312.46</u>	<u>(40,325.91)</u>	<u>-4.58%</u>
Total business-type activities expenses	<u>2,044,472.48</u>	<u>2,121,325.39</u>	<u>(76,852.91)</u>	<u>-3.62%</u>
Total Expenses	<u>86,071,761.42</u>	<u>80,345,870.18</u>	<u>5,725,891.24</u>	<u>7.13%</u>
Special Items	(61,375.00)	0.00	(61,375.00)	100%
Net Increase (Decrease) in Net Position	2,438,365.20	3,067,308.92		
Beginning Net Position	<u>17,527,322.55</u>	<u>14,460,013.63</u>		
Ending Net Position	<u>\$ 19,965,687.75</u>	<u>\$ 17,527,322.55</u>	<u>\$ 2,438,365.20</u>	<u>13.91%</u>

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Financial Analysis of the District as a Whole (Cont'd)

Governmental-Type Activities

- There was an increase of \$1,768,249.61 or 12.06% in governmental activities net position.
- Property taxes increased \$1,122,020.00 or 1.90% from the prior year. Most of this increase is the product of funding general fund services and programs. Property taxes had increased by \$1,173,554.00 or 2.00% from the 13-14 to the 14-15 school year.
- Total Expenses (GASB level) increased \$5,802,744.15 or 7.42% from the prior year.
 - Total General Fund Salaries increased \$990,269.34 or 2.48% (\$40,993,843.83 - \$40,003,574.49)
 - Health Benefits charged to the budget were \$9,947,300.23 in 2015-2016 compared to \$9,314,917.14 in 2014-2015, an increase of \$632,383.09 or 6.79%.
 - Employee contributions toward Health Benefits were \$2,141,434.00 in 2015-2016 compared to \$1,858,243.16 in 2014-2015, an increase of \$283,190.64 or 15.24%.
 - TPAF Pension related expenses and revenues related to GASB 68, increased by \$2,858,624.00 over the prior year.
 - Governmental Activities Expenses Instruction Regular decreased by \$481,396.24. Depreciation allocated here decreased \$635,170.33 and all other expenses charged here increased by \$153,774.09 (0.74%).
 - Governmental Activities Expenses Plant Operation and Maintenance increased by \$996,100.96, \$548,677.03 was a result of Solar Panel project expenditures.

Business-Type Activities

- There was an increase of \$670,115.59 or 23.34% in business-type activities net position.
- Expenses for food service activities decreased by \$36,527.00 or 2.95%, revenues decreased by \$30,173.66 or 2.34%.
- Expenses for daycare activities services decreased by \$40,325.91, revenues increased by \$157,409.90.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

General Fund Budgetary Highlights

During the course of the 2016 fiscal year, the District modified its general fund budget numerous times.

The final budgetary basis anticipated revenue was \$61,970,329.00, actual revenues were \$70,934,629.31.

During fiscal year 2016, the District budgeted \$56,481,794.00 and \$4,342,882.00 for property taxes (local tax levy) and state aid revenues, respectively. The District also received \$2,143,554.27 and \$5,032,394.00 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditures was \$66,107,032.50, actual expenditures were \$71,926,057.92.

The District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions of \$2,143,554.27 and \$5,032,394.00 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

Financial Analysis of the Government's Funds

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

Governmental Funds - The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,240,784.92, an increase of \$381,293.34 in comparison with the prior year.

Of the combined ending fund balances of \$10,240,784.92, \$1,335,388.96 constitutes unassigned fund balance. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been committed. For example, to liquidate contracts and purchase orders of the prior period fund balance of \$310,922.70 is assigned.

The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,335,388.96, while total fund balance was \$9,909,597.76.

The fund balance of the District's general fund at June 30, 2016 fund increased by \$331,293.34 over the previous year.

The debt service fund has a total fund balance of \$331,187.16. Fund balance at June 30, 2016 increased by \$101,722.91 in comparison to the fund balance at the prior year end.

Proprietary Funds - The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position consisted of the following: \$382,975.93 for the food service program and \$2,898,478.89 for the daycare program. Other factors concerning the finance of this fund have already been addressed in the discussion of the District's business-type activities.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Capital Asset and Debt Administration

Capital Assets - The District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$48,927,864.79 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

There were no major capital asset events during the fiscal year.

TABLE 3
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Land	\$ 4,095,400.00	\$ 4,095,400.00
Furniture, Fixtures and Equipment	13,794,130.62	13,741,992.55
Building and Improvements	82,932,725.48	82,756,108.48
Land Improvements	<u>3,537,340.00</u>	<u>2,643,712.00</u>
Total Capital Assets	<u>104,359,596.10</u>	<u>103,237,213.03</u>
Less: Accumulated Depreciation	<u>(55,431,731.31)</u>	<u>(53,549,593.60)</u>
Net Capital Assets	<u>\$ 48,927,864.79</u>	<u>\$ 49,687,619.43</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements.

Long-term Debt - At the end of the current fiscal year, the District had total bonded debt outstanding of \$15,070,000.00 (debt outstanding end of prior year was \$19,090,000.00). The entire District's bonded debt is governmental as opposed to business-type. Bonds mature all the way to 2019.

Obligations under capital lease were \$1,306,427.95 at June 30, 2016.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited) (Cont'd)

Economic Factors and Next Year's Budget

For the 2015-16 school year, the District was able to sustain its budget through property taxes, federal and state aid, and miscellaneous revenue sources.

One of the most important factors affecting the District's budget is state aid. The 2016-17 budget was adopted with a two percent general fund tax levy increase; based in part on the state aid the District anticipates receiving. The anticipated state aid general fund amount was the same as the prior year.

Summary of budgeted state aid revenue anticipated - general fund

<u>Fiscal Year</u>	<u>Amount</u>	<u>Change</u>
2016-2017	\$4,433,463	\$90,581
2015-2016	4,342,882	-0-
2014-2015	4,342,882	77,570
2013-2014	4,265,312	-0-
2012-2013	4,265,312	831,232
2011-2012	3,434,080	594,632
2010-2011	2,839,448	

Any reduction of state aid and increase in expenditures will put an additional burden on the taxpayers of Mount Laurel.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert F. Wachter, Jr. Assistant Superintendent for Business/Board Secretary at:

Township of Mount Laurel School District
330 Mount Laurel Road
Mount Laurel, New Jersey 08054

BASIC FINANCIAL STATEMENTS

GOVERNMENT- WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 9,642,415.37	\$ 3,391,212.06	\$ 13,033,627.43
Receivables, net	638,657.40	28,142.23	666,799.63
Inventory		32,569.36	32,569.36
Restricted Assets:			
Restricted Cash and Cash Equivalents	341,240.67		341,240.67
Capital Assets, net (Note 6)	48,668,402.13	259,462.66	48,927,864.79
Total Assets	59,290,715.57	3,711,386.31	63,002,101.88
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	4,543,450.00		4,543,450.00
Deferred Loss on Defeasance	872,646.51		872,646.51
Total Deferred Outflows of Resources	5,416,096.51	-	5,416,096.51
LIABILITIES:			
Accounts Payable	1,425,696.01	133,917.44	1,559,613.45
Internal Balances	(5,000.00)	5,000.00	-
Payable to State Government	1,519.00		1,519.00
Accrued Interest	174,950.00		174,950.00
Unearned Revenue		31,551.39	31,551.39
Outstanding Bonds and Coupons	10,053.51		10,053.51
Noncurrent Liabilities (Note 7):			
Due within One Year	4,886,652.70		4,886,652.70
Due beyond One Year	40,877,726.59		40,877,726.59
Total Liabilities	47,371,597.81	170,468.83	47,542,066.64
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	885,944.00		885,944.00
Deferred Revenue	24,500.00		24,500.00
Total Deferred Inflows of Resources	910,444.00	-	910,444.00
NET POSITION:			
Net Investment in Capital Assets	31,886,917.44	259,462.66	32,146,380.10
Restricted for:			
Debt Service	331,187.16		331,187.16
Capital Projects	1,648,958.00		1,648,958.00
Other Purposes	6,925,250.80		6,925,250.80
Unrestricted (Deficit)	(24,367,543.13)	3,281,454.82	(21,086,088.31)
Total Net Position	\$ 16,424,770.27	\$ 3,540,917.48	\$ 19,965,687.75

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

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

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 22,560,681.88	\$ 1,269,990.47	\$ 443,163.92		\$ (20,847,527.49)		\$ (20,847,527.49)
Special Education	7,655,000.12		475,000.00		(7,180,000.12)		(7,180,000.12)
Other Special Instruction	692,280.25				(692,280.25)		(692,280.25)
Other Instruction	331,334.91				(331,334.91)		(331,334.91)
Support Services:							
Tuition	1,196,615.86				(1,196,615.86)		(1,196,615.86)
Student and Instruction Related Services	6,576,145.93		557,427.32		(6,018,718.61)		(6,018,718.61)
General Administrative Services	990,696.81				(990,696.81)		(990,696.81)
School Administrative Services	2,076,457.12				(2,076,457.12)		(2,076,457.12)
Central Services	901,849.97				(901,849.97)		(901,849.97)
Administrative Information Technology	585,184.09				(585,184.09)		(585,184.09)
Plant Operations and Maintenance	6,969,368.09				(6,969,368.09)		(6,969,368.09)
Pupil Transportation	3,060,991.80				(3,060,991.80)		(3,060,991.80)
Unallocated Benefits	29,038,485.86		16,174,099.27		(12,864,386.59)		(12,864,386.59)
Special Schools	381,354.53	351,315.01			(30,039.52)		(30,039.52)
Interest on Long-Term Debt	600,150.72				(600,150.72)		(600,150.72)
Unallocated Depreciation	410,691.00				(410,691.00)		(410,691.00)
Total Governmental Activities	84,027,288.94	1,621,305.48	17,649,690.51	-	(64,756,292.95)	-	(64,756,292.95)
Business-Type Activities:							
Food Service	1,203,485.93	824,124.17	435,071.35			\$ 55,709.59	55,709.59
Daycare	840,986.55	1,455,392.55				614,406.00	614,406.00
Total Business-Type Activities	2,044,472.48	2,279,516.72	435,071.35	-	-	670,115.59	670,115.59
Total Primary Government	\$ 86,071,761.42	\$ 3,900,822.20	\$ 18,084,761.86	\$ -	(64,756,292.95)	670,115.59	(64,086,177.36)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					56,481,794.00		56,481,794.00
Property Taxes, Levied for Debt Service					3,693,937.00		3,693,937.00
Federal and State Aid - Unrestricted					5,631,271.19		5,631,271.19
Miscellaneous					778,915.37		778,915.37
Loss on Disposal of Capital Assets					(61,375.00)		(61,375.00)
Total General Revenues and Loss on Disposal of Capital Assets					66,524,542.56	-	66,524,542.56
Change in Net Position					1,768,249.61	670,115.59	2,438,365.20
Net Position -- July 1					14,656,520.66	2,870,801.89	17,527,322.55
Net Position -- June 30					\$ 16,424,770.27	\$ 3,540,917.48	\$ 19,965,687.75

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 9,642,415.37		\$ 51,722.91	\$ 289,517.76	\$ 9,983,656.04
Interfunds Receivable	88,241.85			51,722.91	139,964.76
Intergovernment Accounts Receivable:					
Federal		\$ 84,880.00			84,880.00
State	552,934.55				552,934.55
Other		842.85			842.85
Total Assets	<u>\$ 10,283,591.77</u>	<u>\$ 85,722.85</u>	<u>\$ 51,722.91</u>	<u>\$ 341,240.67</u>	<u>\$ 10,762,278.20</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Interfunds Payable		\$ 83,241.85	\$ 51,722.91		\$ 134,964.76
Accounts Payable	\$ 349,494.01	962.00			350,456.01
Payable to State Government		1,519.00			1,519.00
Outstanding Bond and Coupons				\$ 10,053.51	10,053.51
Total Liabilities	<u>349,494.01</u>	<u>85,722.85</u>	<u>51,722.91</u>	<u>10,053.51</u>	<u>496,993.28</u>
Deferred Inflows of Resources:					
Deferred Revenue	24,500.00				24,500.00
Total Deferred Inflows of Resources	<u>24,500.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,500.00</u>
Fund Balances:					
Restricted:					
Capital Reserve	1,648,958.00				1,648,958.00
School Bus Advertising 50% fuel offset reserve - Current Year	9,076.32				9,076.32
Designated for Subsequent Year's Expenditures 50% fuel offset reserve - Prior Year	3,963.00				3,963.00
Excess Surplus - Current Year	3,005,007.78				3,005,007.78
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	3,169,984.98				3,169,984.98
Debt Service				331,187.16	331,187.16
Assigned:					
Other Purposes	310,922.70				310,922.70
Designated for Subsequent Year's Expenditures	426,296.02				426,296.02
Unassigned	1,335,388.96				1,335,388.96
Total Fund Balances	<u>9,909,597.76</u>	<u>-</u>	<u>-</u>	<u>331,187.16</u>	<u>10,240,784.92</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,283,591.77</u>	<u>\$ 85,722.85</u>	<u>\$ 51,722.91</u>	<u>\$ 341,240.67</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$103,943,717.48, and the accumulated depreciation is \$55,275,315.35.	48,668,402.13
Deferred Loss on Defeasance	872,646.51
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(174,950.00)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(19,339,624.29)
Net Pension Liability	(26,424,755.00)
Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not liquidated with current financial resources.	(1,075,240.00)
Deferred Outflows of Resources - Related to Pensions	4,543,450.00
Deferred Inflows of Resources - Related to Pensions	(885,944.00)
Net Position of Governmental Activities	<u>\$ 16,424,770.27</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 56,481,794.00			\$ 3,693,937.00	\$ 60,175,731.00
Other Restricted Miscellaneous Revenues	351,315.01				351,315.01
Unrestricted Miscellaneous Revenues	2,048,905.84				2,048,905.84
State Sources	11,981,909.27	\$ 10,368.00		732,392.00	12,724,669.27
Federal Sources	86,999.19	1,471,142.24			1,558,141.43
Total Revenues	70,950,923.31	1,481,510.24	-	4,426,329.00	76,858,762.55
EXPENDITURES:					
Current:					
Regular Instruction	20,539,316.11	443,163.92			20,982,480.03
Special Education Instruction	7,567,322.24				7,567,322.24
Other Special Instruction	692,280.25				692,280.25
Other Instruction	331,334.91				331,334.91
Support Services and Undistributed Costs:					
Tuition	721,615.86	475,000.00			1,196,615.86
Student and Instruction Related Services	6,018,718.61	557,427.32			6,576,145.93
General Administrative Services	990,696.81				990,696.81
School Administrative Services	1,988,779.24				1,988,779.24
Central Services	901,849.97				901,849.97
Administrative Information Technology	585,184.09				585,184.09
Plant Operations and Maintenance	6,969,368.09				6,969,368.09
Pupil Transportation	3,060,991.80				3,060,991.80
Unallocated Benefits	19,437,277.41				19,437,277.41
Special Schools	381,354.53				381,354.53
Debt Service:					
Principal				4,020,000.00	4,020,000.00
Interest and Other Charges	83,924.00			609,300.00	693,224.00
Capital Outlay	1,403,073.00	5,919.00			1,408,992.00
Total Expenditures	71,673,086.92	1,481,510.24	-	4,629,300.00	77,783,897.16
Excess (Deficiency) of Revenues over Expenditures	(722,163.61)	-	-	(202,971.00)	(925,134.61)
OTHER FINANCING SOURCES (USES):					
Capital Lease Proceeds	1,306,427.95				1,306,427.95
Operating Transfers In				304,693.91	304,693.91
Operating Transfers Out	(252,971.00)		\$ (51,722.91)		(304,693.91)
Total Other Financing Sources and Uses	1,053,456.95	-	(51,722.91)	304,693.91	1,306,427.95
Net Change in Fund Balances	331,293.34	-	(51,722.91)	101,722.91	381,293.34
Fund Balance -- July 1	9,578,304.42	-	51,722.91	229,464.25	9,859,491.58
Fund Balance -- June 30	\$ 9,909,597.76	\$ -	\$ -	\$ 331,187.16	\$ 10,240,784.92

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

TOWNSHIP OF MOUNT LAUREL 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		\$ 381,293.34
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 capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (2,164,248.61)	
Capital Outlays	<u>1,408,992.00</u>	(755,256.61)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		4,020,000.00
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Capital Lease Proceeds		(1,306,427.95)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		32,200.00
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.		(618,695.00)
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>15,135.83</u>
Change in Net Position of Governmental Activities		<u>\$ 1,768,249.61</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Net Position
 June 30, 2016

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 492,733.17	\$ 2,898,478.89	\$ 3,391,212.06
Accounts Receivable:			
State	1,035.65		1,035.65
Federal	27,106.58		27,106.58
Inventories	32,569.36		32,569.36
Total Current Assets	<u>553,444.76</u>	<u>2,898,478.89</u>	<u>3,451,923.65</u>
Noncurrent Assets:			
Furniture, Fixtures and Equipment	415,878.63		415,878.63
Less Accumulated Depreciation	<u>(156,415.97)</u>		<u>(156,415.97)</u>
Total Noncurrent Assets	<u>259,462.66</u>	<u>-</u>	<u>259,462.66</u>
Total Assets	<u>812,907.42</u>	<u>2,898,478.89</u>	<u>3,711,386.31</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	133,917.44		133,917.44
Interfund Payable	5,000.00		5,000.00
Unearned Revenues	31,551.39		31,551.39
Total Liabilities	<u>170,468.83</u>	<u>-</u>	<u>170,468.83</u>
NET POSITION:			
Net Investment in Capital Assets	259,462.66		259,462.66
Unrestricted	<u>382,975.93</u>	<u>2,898,478.89</u>	<u>3,281,454.82</u>
Total Net Position	<u>\$ 642,438.59</u>	<u>\$ 2,898,478.89</u>	<u>\$ 3,540,917.48</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 475,130.98		\$ 475,130.98
Daily Sales - Non-Reimbursable Programs	311,699.58		311,699.58
Other Miscellaneous	37,293.61		37,293.61
Daycare Fees		<u>\$ 1,455,392.55</u>	<u>1,455,392.55</u>
Total Operating Revenues	<u>824,124.17</u>	<u>1,455,392.55</u>	<u>2,279,516.72</u>
OPERATING EXPENSES:			
Salaries	472,442.44	759,334.87	1,231,777.31
Employee Benefits	37,279.55		37,279.55
Supplies and Materials	41,028.85	43,943.64	84,972.49
Cost of Sales-Reimbursable Programs	379,049.01		379,049.01
Cost of Sales-Non-Reimbursable Programs	113,396.00		113,396.00
Management Fee	73,264.02		73,264.02
Insurance	19,759.34		19,759.34
Office Supplies	1,366.55		1,366.55
Auto Expense	1,355.47		1,355.47
Service Contracts	22,011.27		22,011.27
Miscellaneous	14,079.32	37,708.04	51,787.36
Depreciation	<u>28,454.11</u>		<u>28,454.11</u>
Total Operating Expenses	<u>1,203,485.93</u>	<u>840,986.55</u>	<u>2,044,472.48</u>
Operating Income (Loss)	<u>(379,361.76)</u>	<u>614,406.00</u>	<u>235,044.24</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	12,833.61		12,833.61
Federal Sources:			
National School Lunch Program	320,745.45		320,745.45
National School Breakfast Program	13,947.57		13,947.57
Food Distribution Program	<u>87,544.72</u>		<u>87,544.72</u>
Total Nonoperating Revenues (Expenses)	<u>435,071.35</u>	<u>-</u>	<u>435,071.35</u>
Change in Net Position	55,709.59	614,406.00	670,115.59
Net Position -- July 1	<u>586,729.00</u>	<u>2,284,072.89</u>	<u>2,870,801.89</u>
Net Position -- June 30	<u>\$ 642,438.59</u>	<u>\$ 2,898,478.89</u>	<u>\$ 3,540,917.48</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Proprietary Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 827,661.36	\$ 1,455,392.55	\$ 2,283,053.91
Payments to Employees	(467,442.44)	(759,334.87)	(1,226,777.31)
Payments for Employee Benefits	(37,279.55)		(37,279.55)
Payments to Suppliers	(379,606.72)	(43,943.64)	(423,550.36)
Payments to Others	(208,639.63)	(44,159.97)	(252,799.60)
Net Cash Provided by (Used for) Operating Activities	<u>(265,306.98)</u>	<u>607,954.07</u>	<u>342,647.09</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	<u>351,872.04</u>		<u>351,872.04</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>351,872.04</u>	<u>-</u>	<u>351,872.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	86,565.06	607,954.07	694,519.13
Cash and Cash Equivalents -- July 1	<u>406,168.11</u>	<u>2,290,524.82</u>	<u>2,696,692.93</u>
Cash and Cash Equivalents -- June 30	<u>\$ 492,733.17</u>	<u>\$ 2,898,478.89</u>	<u>\$ 3,391,212.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (379,361.76)	\$ 614,406.00	\$ 235,044.24
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	28,454.11		28,454.11
Food Distribution Program	87,544.72		87,544.72
(Increase) Decrease in Inventories	(7,845.64)		(7,845.64)
Increase (Decrease) in Unearned Revenue	3,040.40		3,040.40
Increase (Decrease) in Other Current Liabilities	2,861.19	(6,451.93)	(3,590.74)
Total Adjustments	<u>114,054.78</u>	<u>(6,451.93)</u>	<u>107,602.85</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (265,306.98)</u>	<u>\$ 607,954.07</u>	<u>\$ 342,647.09</u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	Private Purpose Trust Funds	Agency Funds	
	Unemployment Compensation Trust	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	\$ 974,371.53	\$ 80,711.25	\$ 336,145.87
Total Assets	<u>974,371.53</u>	<u>\$ 80,711.25</u>	<u>\$ 336,145.87</u>
LIABILITIES:			
Payable to Student Groups	-	\$ 80,711.25	\$ -
Accrued Salaries and Wages	-	-	1,254.99
Payroll Deductions and Withholdings	-	-	334,890.88
Total Liabilities	<u>-</u>	<u>\$ 80,711.25</u>	<u>\$ 336,145.87</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 974,371.53</u>		

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2016

	Private Purpose Trust Fund Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Plan member	\$ 116,823.76
Total Contributions	<u>116,823.76</u>
Total Additions	<u>116,823.76</u>
DEDUCTIONS:	
Unemployment Claims	24,184.48
Quarterly Payroll Reports	<u>47,518.72</u>
Total Deductions	<u>71,703.20</u>
Change in Net Position	45,120.56
Net Position -- July 1	<u>929,250.97</u>
Net Position -- June 30	<u><u>\$ 974,371.53</u></u>

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

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Mount Laurel 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 Burlington, 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 PK through 8 at its eight schools. The School District has an approximate enrollment at June 30, 2016 of 4,216.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *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.

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.

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

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.

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.

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. Fiduciary funds are reported by fund type.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 Burlington 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.

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.

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

The School District reports the following major governmental funds (Cont'd):

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 expenditures 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 expenditures for capital outlays, including the acquisition of 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, 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, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

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

Extended Kindergarten / Daycare Fund - This fund accounts for financial activity related to providing day care services for School District students before school, after school, and during the summer camp.

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.

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

The School District maintains the following fiduciary funds (cont'd):

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 fund:

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.

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 of education. 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.

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

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 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 assign 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 deferred revenues at fiscal year-end.

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

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 units 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.

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

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 as accounts receivable.

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>Estimated Lives</u>
Land Improvements	10-20 Years
Buildings and Improvements	10-50 Years
Furniture, Fixtures and Equipment	5-20 Years

The School District does not possess any infrastructure assets.

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

Loss on Refunding of Debt - The loss on refunding arose 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.

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 accounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 are 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 Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and 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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 spend. 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 either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved 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, and 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 may 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 trust 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 shown as uninsured and uncollateralized.

As of June 30, 2016, the School District's bank balances of \$17,675,776.80 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 691,484.18
Insured	<u>16,984,292.62</u>
Total	<u><u>\$ 17,675,776.80</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the 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		\$ 1,549,429.00
Increased by:		
Interest Earnings	\$ 500.00	
Deposits:		
Board Resolution	<u>750,000.00</u>	
		<u>750,500.00</u>
		2,299,929.00
Decreased by:		
Withdrawals:		
2015-2016 Budget Appropriation		<u>650,971.00</u>
Ending Balance, June 30, 2016		<u><u>\$ 1,648,958.00</u></u>
<u>Analysis of Balance</u>		
Anticipated as Revenue in 2016-2017 Budget		\$ 650,971.00
Restricted for Future Use		<u>997,987.00</u>
		<u><u>\$ 1,648,958.00</u></u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$1,549,429.00. The withdrawals from the capital reserve were for use in Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts Receivables 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.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Awards		\$ 84,880.00	\$ 84,880.00	\$ 27,106.58	\$ 111,986.58
State Awards	\$ 552,934.55		552,934.55	1,035.65	553,970.20
Other		842.85	842.85		842.85
	<u>\$ 552,934.55</u>	<u>\$ 85,722.85</u>	<u>\$ 638,657.40</u>	<u>\$ 28,142.23</u>	<u>\$ 666,799.63</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 8,121.93
Commodities	18,887.28
Supplies	<u>5,560.15</u>
Total	<u>\$ 32,569.36</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 4,095,400.00			\$ 4,095,400.00
Total Capital Assets, not being Depreciated	4,095,400.00	-	-	4,095,400.00
Capital Assets, being Depreciated:				
Land Improvements	2,643,712.00	\$ 893,628.00		3,537,340.00
Buildings and Improvements	82,756,108.48	176,617.00		82,932,725.48
Equipment	13,409,462.00	338,747.00	\$ (369,957.00)	13,378,252.00
Total Capital Assets, being Depreciated	98,809,282.48	1,408,992.00	(369,957.00)	99,848,317.48
Total Capital Assets, Cost	102,904,682.48	1,408,992.00	(369,957.00)	103,943,717.48
Less Accumulated Depreciation for:				
Land Improvements	(2,451,759.00)	(72,626.00)		(2,524,385.00)
Buildings and Improvements	(40,340,583.74)	(1,753,557.61)		(42,094,141.35)
Equipment	(10,627,306.00)	(338,065.00)	308,582.00	(10,656,789.00)
Total Accumulated Depreciation	(53,419,648.74)	(2,164,248.61)*	308,582.00	(55,275,315.35)
Total Capital Assets, being Depreciated, Net	45,389,633.74	(755,256.61)	(61,375.00)	44,573,002.13
Governmental Activities Capital Assets, Net	\$ 49,485,033.74	\$ (755,256.61)	\$ (61,375.00)	\$ 48,668,402.13
Business-Type Activities:				
Furniture, Fixtures and Equipment	\$ 332,530.55	\$ 85,331.08	\$ (1,983.00)	\$ 415,878.63
Less Accumulated Depreciation	(129,944.86)	(28,454.11)*	1,983.00	(156,415.97)
Business-Type Activities Capital Assets, Net	\$ 202,585.69	\$ 56,876.97	\$ -	\$ 259,462.66

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

Governmental Activities:	
Regular Instruction	\$ 1,578,201.85
Special Education	87,677.88
School Administrative Service	87,677.88
Unallocated	410,691.00
Total Depreciation Expense - Governmental Activities	<u>\$ 2,164,248.61</u>
Business-Type Activities:	
Food Service	\$ 28,454.11
Total Depreciation Expense - Business-Type Activities	<u>\$ 28,454.11</u>

Note 7: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 19,090,000.00		\$ (4,020,000.00)	\$ 15,070,000.00	\$ 4,085,000.00
Add Amounts:					
Bond Premium	1,405,023.53		(302,270.28)	1,102,753.25	
Total Bonds Payable	<u>20,495,023.53</u>	<u>-</u>	<u>(4,322,270.28)</u>	<u>16,172,753.25</u>	<u>4,085,000.00</u>
Other Liabilities:					
Obligations under Capital Lease		\$ 1,306,427.95		1,306,427.95	429,564.08
Compensated Absences	1,876,080.64	210,615.48	(226,253.03)	1,860,443.09	372,088.62
Net Pension Liability (note 8)	<u>22,134,821.00</u>	<u>6,883,953.00</u>	<u>(2,594,019.00)</u>	<u>26,424,755.00</u>	
Total Other Liabilities	<u>24,010,901.64</u>	<u>8,400,996.43</u>	<u>(2,820,272.03)</u>	<u>29,591,626.04</u>	<u>801,652.70</u>
Governmental Activity Long-Term Liabilities	<u>\$ 44,505,925.17</u>	<u>\$ 8,400,996.43</u>	<u>\$ (7,142,542.31)</u>	<u>\$ 45,764,379.29</u>	<u>\$ 4,886,652.70</u>

The bonds payable are generally liquidated by the debt service fund, while obligations under capital lease, compensated absences, and net pension liability are liquidated by the general fund.

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 School District are general obligation bonds.

On May 7, 2013, the School District issued \$11,905,000.00 refunding general obligation bonds at interest rates varying from 3% to 4%, original proceeds were for various construction and renovation projects. The final maturity of these bonds is August 1, 2019. The bonds will be paid from property taxes.

On March 20, 2012, the School District issued \$8,900,000.00 general obligation bonds at interest rates varying from 2% to 3% for various renovations and improvement projects. The final maturity of these bonds is December 1, 2018. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 4,085,000.00	\$ 476,250.00	\$ 4,561,250.00
2018	4,150,000.00	329,375.00	4,479,375.00
2019	4,280,000.00	178,725.00	4,458,725.00
2020	<u>2,555,000.00</u>	<u>51,100.00</u>	<u>2,606,100.00</u>
Total	<u>\$ 15,070,000.00</u>	<u>\$ 1,035,450.00</u>	<u>\$ 16,105,450.00</u>

Bonds Authorized But Not Issued – As of June 30, 2016, the School District had no authorizations to issue additional bonded debt.

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

Obligations under Capital Lease - The School District is leasing solar project & equipment totaling \$1,306,427.95 under capital leases. All capital leases are for terms of three to five 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.

Fiscal Year			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 429,564.08	\$ 17,898.06	\$ 447,462.14
2018	435,449.10	12,013.04	447,462.14
2019	<u>441,414.77</u>	<u>6,047.37</u>	<u>447,462.14</u>
Total	<u>\$ 1,306,427.95</u>	<u>\$ 35,958.47</u>	<u>\$ 1,342,386.42</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: 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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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 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 a 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.

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

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*.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.29% 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 \$1,572,971.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$2,119,535.15.

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.

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2016 was 13.23% 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 \$1,012,037.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$581,342.70.

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 \$13,481.51, and the School District recognized pension expense of \$7,361.14. There were no forfeitures during the fiscal year.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

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

The 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>184,989,742.00</u>
	<u>\$ 184,989,742.00</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 of 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 .2926855113%, which was a decrease of .0006681302% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized \$11,295,289.00 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.

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$26,424,755.00 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, the School District's proportion was .1177154312%, which was a decrease of .0005088594% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$1,642,314.00, in the government-wide financial statements. The pension expense was based on the pension plans June 30, 2015 measurement date.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 630,402.00	\$ -
Changes of Assumptions	2,837,808.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	424,859.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	461,085.00
School District Contributions Subsequent to the Measurement Date	<u>1,075,240.00</u>	<u>-</u>
	<u>\$ 4,543,450.00</u>	<u>\$ 885,944.00</u>

\$1,075,240.00 included as deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ended 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 as follows:

<u>Year Ending June 30,</u>	
2017	\$ 451,472.00
2018	451,472.00
2019	451,473.00
2020	781,248.00
2021	<u>446,601.00</u>
	<u>\$ 2,582,266.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - 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 Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected 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 and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions 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 8: 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 following tables:

Note 8: **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 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As 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:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
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	219,853,394.00	184,989,742.00	154,952,620.00
	<u>\$ 219,853,394.00</u>	<u>\$ 184,989,742.00</u>	<u>\$ 154,952,620.00</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:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	\$ 32,842,738.00	\$ 26,424,755.00	\$ 21,043,965.00

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.

Note 9: 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 10: 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 and post-retirement medical costs 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 \$2,188,139.00, \$2,735,256.00, and \$108,999.00, respectively.

Note 11: 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.

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 the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016	\$ -	\$ 116,823.76	\$ 71,703.20	\$ 974,371.53
2015	-	116,067.45	113,751.48	929,250.97
2014	300,000.00	115,851.49	123,166.51	926,935.00

Note 11: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides the School District with the following coverage:

Property, Inland Marine and Automobile Physical Damages
Boiler and Machinery
Crime
General and Automobile Liability
Workers' Compensation
Educator's Legal Liability
Pollution Legal Liability
Cyber Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Fund publishes its own financial report for the year ended June 30, 2016, which can be obtained from the following address:

Burlington County Insurance Pool Joint Insurance Fund
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of six (6) 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 are as follows:

Fidelity
Equitable
Valic
Lincoln Investment
Tom Sealy Investment
Prudential

Note 13: 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 are granted vacation and sick leave in varying amounts under the School District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin accumulating and vesting upon commencement of employment. The School District shall pay each employee retiring from the School District for each accumulated unused sick day in accordance with the School District's schedule up to a maximum of 200 days.

Note 13: COMPENSATED ABSENCES (CONT'D)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$1,860,443.09. As of June 30, 2016 no liability for compensated absences in proprietary fund statement of net position exists.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 88,241.85	
Special Revenue		\$ 83,241.85
Capital Projects		51,722.91
Debt Service	51,722.91	
Enterprise Fund		5,000.00
	<u>\$ 139,964.76</u>	<u>\$ 139,964.76</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.

An equity transfer from the general fund to the debt service fund was the result of the 2015-2016 debt service fund budget anticipating the \$252,971.00 as revenue from the General Fund.

An equity transfer was made from the capital projects fund to the debt service fund in the amount of \$51,722.91. The transfer resulted from excess funds raised to fund a previous capital project. These funds must be used to reduce outstanding debt and were transferred to the debt service fund for that purpose.

Note 15: 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 16: 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 17: 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 Legally Restricted Appropriations - In accordance with N.J.S.A. 18A:39-31, the School District has restricted \$13,039.32 of school bus advertising revenue to offset future fuel costs, with \$3,963.00 designated for use in the 2016-2017 budget and \$9,076.32 for use in the 2017-2018 budget.

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 reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$3,005,007.78. Additionally, \$3,169,984.98 of excess fund balance 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 \$1,648,958.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Debt Service Fund - As of June 30, 2016, the restricted fund balance amount was \$331,187.16, the result of unexpended budget appropriations from bond refunding.

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 -

For Subsequent Year's Expenditures - The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017 \$426,296.02 of general fund balance at June 30, 2016.

Other Purposes - As of June 30, 2016, the School District had \$310,922.70 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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, \$1,335,388.96 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 56,481,794.00	\$ -	\$ 56,481,794.00	\$ 56,481,794.00	\$ -
Interest Earned on Capital Reserve Funds	500.00	-	500.00	500.00	-
Other Restricted Miscellaneous Revenues	367,431.00	-	367,431.00	351,315.01	(16,115.99)
Advertising Fees - School Buses	25,000.00	-	25,000.00	18,152.65	(6,847.35)
Unrestricted Miscellaneous Revenues	695,681.00	8,000.00	703,681.00	2,030,253.19	1,326,572.19
Total - Local Sources	57,570,406.00	8,000.00	57,578,406.00	58,882,014.85	1,303,608.85
State Sources:					
Extraordinary Aid	-	-	-	396,915.00	396,915.00
Categorical Special Education Aid	2,290,692.00	-	2,290,692.00	2,290,692.00	-
Categorical Security Aid	335,153.00	-	335,153.00	335,153.00	-
Adjustment Aid	3,387.00	-	3,387.00	3,387.00	-
Categorical Transportation Aid	1,636,080.00	-	1,636,080.00	1,636,080.00	-
Nonpublic Transportation Aid	-	-	-	49,870.00	49,870.00
PARCC Readiness Aid	38,785.00	-	38,785.00	38,785.00	-
Per Pupil Growth Aid	38,785.00	-	38,785.00	38,785.00	-
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,735,256.00	2,735,256.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	2,188,139.00	2,188,139.00
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)	-	-	-	108,999.00	108,999.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	2,143,554.27	2,143,554.27
Total - State Sources	4,342,882.00	-	4,342,882.00	11,965,615.27	7,622,733.27
Federal Sources:					
SEMI Medicaid Program	49,041.00	-	49,041.00	86,999.19	37,958.19
Total - Federal Sources	49,041.00	-	49,041.00	86,999.19	37,958.19
Total Revenues	61,962,329.00	8,000.00	61,970,329.00	70,934,629.31	8,964,300.31

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 48,750.00	\$ -	\$ 48,750.00	\$ -	\$ 48,750.00
Kindergarten	1,109,753.00	(447,136.00)	662,617.00	658,155.71	4,461.29
Grades 1-5	12,113,718.00	(903,819.00)	11,209,899.00	11,174,749.05	35,149.95
Grades 6-8	7,320,007.00	-	7,320,007.00	7,263,284.49	56,722.51
Regular Programs - Home Instruction:					
Salaries of Teachers	56,500.00	123,376.00	179,876.00	179,875.60	0.40
Purchased Professional - Educational Services	105,000.00	293,341.00	398,341.00	398,340.74	0.26
Regular Programs - Undistributed Instruction:					
General Supplies	635,438.00	324,854.00	960,292.00	760,564.15	199,727.85
Textbooks	180,794.00	(25,000.00)	155,794.00	15,386.94	140,407.06
Other Objects	102,650.00	-	102,650.00	88,959.43	13,690.57
Total Regular Programs - Instruction	<u>21,672,610.00</u>	<u>(634,384.00)</u>	<u>21,038,226.00</u>	<u>20,539,316.11</u>	<u>498,909.89</u>
Special Education Instruction -					
Learning and/or Language Disabilities:					
Salaries of Teachers	421,920.00	(14,783.00)	407,137.00	331,422.19	75,714.81
Other Salaries for Instruction	183,033.00	-	183,033.00	120,002.08	63,030.92
General Supplies	2,500.00	-	2,500.00	-	2,500.00
Total Learning and/or Language Disabilities	<u>607,453.00</u>	<u>(14,783.00)</u>	<u>592,670.00</u>	<u>451,424.27</u>	<u>141,245.73</u>

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
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 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 144,438.00	\$ 230.00	\$ 144,668.00	\$ 128,152.77	\$ 16,515.23
Other Salaries for Instruction	244,103.00	-	244,103.00	230,570.19	13,532.81
Total Multiple Disabilities	388,541.00	230.00	388,771.00	358,722.96	30,048.04
Resource Room / Resource Center:					
Salaries of Teachers	3,396,499.00	401,557.00	3,798,056.00	3,798,054.87	1.13
Other Salaries for Instruction	1,169,196.00	(152,978.00)	1,016,218.00	1,013,920.15	2,297.85
General Supplies	12,250.00	1,107.00	13,357.00	13,356.96	0.04
Total Resource Room / Resource Center	4,577,945.00	249,686.00	4,827,631.00	4,825,331.98	2,299.02
Autism:					
Salaries of Teachers	577,365.00	(51,961.00)	525,404.00	525,402.68	1.32
Other Salaries for Instruction	828,997.00	1,871.00	830,868.00	819,389.22	11,478.78
General Supplies	2,000.00	-	2,000.00	1,163.32	836.68
Total Autism	1,408,362.00	(50,090.00)	1,358,272.00	1,345,955.22	12,316.78
Preschool Disabilities - Part Time:					
Salaries of Teachers	482,921.00	1,688.00	484,609.00	402,854.33	81,754.67
Other Salaries for Instruction	294,648.00	-	294,648.00	181,331.16	113,316.84
General Supplies	7,500.00	-	7,500.00	1,702.32	5,797.68
Total Preschool Disabilities - Part Time	785,069.00	1,688.00	786,757.00	585,887.81	200,869.19
Total Special Education - Instruction	7,767,370.00	186,731.00	7,954,101.00	7,567,322.24	386,778.76
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	663,445.00	(193,841.00)	469,604.00	469,603.25	0.75
Total Basic Skills / Remedial - Instruction	663,445.00	(193,841.00)	469,604.00	469,603.25	0.75

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
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 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 215,567.00	\$ 7,110.00	\$ 222,677.00	\$ 222,677.00	\$ -
Total Bilingual Education - Instruction	215,567.00	7,110.00	222,677.00	222,677.00	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	78,000.00	55,133.00	133,133.00	133,132.64	0.36
Supplies and Materials	3,000.00	(2,000.00)	1,000.00	963.05	36.95
Total School Sponsored Cocurricular Activities - Instruction	81,000.00	53,133.00	134,133.00	134,095.69	37.31
School Sponsored Athletics - Instruction:					
Salaries	91,081.00	(779.00)	90,302.00	90,302.00	-
Purchased Services (300-500 series)	12,950.00	-	12,950.00	9,569.00	3,381.00
Supplies and Materials	6,784.00	2,429.00	9,213.00	9,212.22	0.78
Other Objects	3,800.00	-	3,800.00	2,669.00	1,131.00
Total School Sponsored Athletics - Instruction	114,615.00	1,650.00	116,265.00	111,752.22	4,512.78
Other Instructional Programs - Instruction:					
Salaries	55,000.00	487.00	55,487.00	55,487.00	-
Purchased Services (300-500 series)	30,000.00	-	30,000.00	30,000.00	-
Total Other Instructional Programs - Instruction	85,000.00	487.00	85,487.00	85,487.00	-
Total Instruction	30,599,607.00	(579,114.00)	30,020,493.00	29,130,253.51	890,239.49
Undistributed Expenditures - Instruction:					
Tuition - Other LEAs Within the State - Special	18,500.00	148,189.00	166,689.00	166,688.98	0.02
Tuition - Co. Spec. Services and Regional Day Schls	271,190.00	-	271,190.00	232,696.15	38,493.85
Tuition - Private Schls/Disabled within State	586,416.00	(179,059.00)	407,357.00	315,765.73	91,591.27
Tuition - Other	19,631.00	(3,366.00)	16,265.00	6,465.00	9,800.00
Total Undistributed Expenditures - Instruction	895,737.00	(34,236.00)	861,501.00	721,615.86	139,885.14

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
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 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 721,824.00	\$ 42,695.00	\$ 764,519.00	\$ 764,518.19	\$ 0.81
Purchased Professional and Technical Services	123,560.00	(72,994.00)	50,566.00	42,920.85	7,645.15
Supplies and Materials	12,000.00	2,593.00	14,593.00	14,592.01	0.99
Other Objects	5,000.00	-	5,000.00	1,268.50	3,731.50
Total Undistributed Expenditures - Health Services	862,384.00	(27,706.00)	834,678.00	823,299.55	11,378.45
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	755,264.00	-	755,264.00	664,403.08	90,860.92
Supplies and Materials	500.00	-	500.00	174.97	325.03
Total Undist. Expend. - Speech, OT, PT & Related Svcs	755,764.00	-	755,764.00	664,578.05	91,185.95
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	641,832.00	7,082.00	648,914.00	648,913.35	0.65
Salaries of Secretarial and Clerical Assistants	105,581.00	-	105,581.00	90,291.00	15,290.00
Other Purchased Services	58,192.00	-	58,192.00	52,914.80	5,277.20
Supplies and Materials	8,000.00	-	8,000.00	6,549.41	1,450.59
Total Undistributed Expenditures - Guidance	813,605.00	7,082.00	820,687.00	798,668.56	22,018.44
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	1,388,346.00	4,441.00	1,392,787.00	1,392,786.75	0.25
Salaries of Secretarial and Clerical Assistants	165,459.00	-	165,459.00	165,459.00	-
Purchased Professional - Educational Services	45,000.00	614,567.00	659,567.00	659,566.24	0.76
Supplies and Materials	20,000.00	18,883.00	38,883.00	38,612.97	270.03
Other Objects	6,250.00	(4,108.00)	2,142.00	2,141.23	0.77
Total Undistributed Expenditures - Child Study Teams	1,625,055.00	633,783.00	2,258,838.00	2,258,566.19	271.81
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	436,089.00	(12,090.00)	423,999.00	423,998.12	0.88
Salaries of Other Professional Staff	20,000.00	506.00	20,506.00	20,506.00	-
Salaries of Secretarial and Clerical Assistants	5,000.00	(4,673.00)	327.00	-	327.00
Supplies and Materials	5,000.00	-	5,000.00	2,246.08	2,753.92
Total Undistributed Expenditures - Improvement of Instruction Services	466,089.00	(16,257.00)	449,832.00	446,750.20	3,081.80

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
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 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expend. - Educational Media Services / Sch Library:					
Salaries	\$ 735,985.00	\$ (21,086.00)	\$ 714,899.00	\$ 694,464.00	\$ 20,435.00
Supplies and Materials	103,700.00	7,477.00	111,177.00	95,134.96	16,042.04
Other Objects	23,500.00	-	23,500.00	-	23,500.00
Total Undistributed Expend. - Educational Media Services / Sch Library	863,185.00	(13,609.00)	849,576.00	789,598.96	59,977.04
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	96,885.00	6,602.00	103,487.00	103,486.60	0.40
Salaries of Other Professional Staff	33,000.00	1,296.00	34,296.00	33,929.14	366.86
Supplies and Materials	41,100.00	-	41,100.00	28,433.81	12,666.19
Other Objects	52,075.00	20,923.00	72,998.00	71,407.55	1,590.45
Total Undistributed Expenditures - Instructional Staff Training Services:	223,060.00	28,821.00	251,881.00	237,257.10	14,623.90
Undistributed Expenditures - Support Services - General Administration:					
Salaries	395,052.00	(59,866.00)	335,186.00	331,846.04	3,339.96
Legal Services	74,000.00	(25,371.00)	48,629.00	23,537.21	25,091.79
Audit Fees	54,000.00	-	54,000.00	49,100.00	4,900.00
Other Purchased Professional Services	45,725.00	60,823.00	106,548.00	106,010.62	537.38
Purchased Technical Services	13,900.00	-	13,900.00	10,042.00	3,858.00
Communications / Telephone	247,594.00	(164.00)	247,430.00	247,428.76	1.24
Other Purchased Services	135,000.00	18,177.00	153,177.00	149,284.18	3,892.82
General Supplies	25,000.00	-	25,000.00	14,917.50	10,082.50
Miscellaneous Expenditures	33,297.00	6,401.00	39,698.00	39,697.15	0.85
BOE Membership Dues and Fees	30,300.00	-	30,300.00	18,833.35	11,466.65
Total Undistributed Expenditures - Support Services - General Admin	1,053,868.00	-	1,053,868.00	990,696.81	63,171.19
Undistributed Expenditures - Support Services - School Admin:					
Salaries of Principals / Assistant Principals	1,394,041.00	(1,623.00)	1,392,418.00	1,309,630.06	82,787.94
Salaries of Secretarial and Clerical Assistants	643,121.00	-	643,121.00	622,733.88	20,387.12
Purchased Professional and Technical Services	10,000.00	-	10,000.00	-	10,000.00
Supplies and Materials	41,845.00	1,623.00	43,468.00	28,302.35	15,165.65
Other Objects	65,849.00	-	65,849.00	28,112.95	37,736.05
Total Undistributed Expenditures - Support Services - School Amin.	2,154,856.00	-	2,154,856.00	1,988,779.24	166,076.76

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Central Services					
Salaries	\$ 758,439.00	\$ 14,411.00	\$ 772,850.00	\$ 768,951.43	\$ 3,898.57
Purchased Professional Services	9,500.00	-	9,500.00	-	9,500.00
Purchased Technical Services	52,782.00	-	52,782.00	31,195.00	21,587.00
Supplies and Materials	20,000.00	9,777.00	29,777.00	29,776.51	0.49
Other Object	88,925.00	(6,782.00)	82,143.00	71,927.03	10,215.97
Total Undistributed Expenditures - Central Services	929,646.00	17,406.00	947,052.00	901,849.97	45,202.03
Undistributed Expenditures - Admin. Info. Technology					
Salaries	301,928.00	(34,003.00)	267,925.00	267,924.77	0.23
Purchased Technical Services	239,500.00	35,776.00	275,276.00	261,221.49	14,054.51
Other Purchased Services	-	26,536.00	26,536.00	21,753.67	4,782.33
Supplies and Materials	55,000.00	(20,715.00)	34,285.00	34,284.16	0.84
Total Undistributed Expenditures - Admin. Info. Technology	596,428.00	7,594.00	604,022.00	585,184.09	18,837.91
Undistributed Expenditures - Required Maint for School Facilities:					
Salaries	438,775.00	-	438,775.00	432,359.74	6,415.26
Cleaning, Repair and Maintenance Services	416,301.50	870,719.00	1,287,020.50	1,107,289.59	179,730.91
General Supplies	143,386.00	38,203.00	181,589.00	181,583.91	5.09
Other Objects	39,100.00	38,652.00	77,752.00	67,458.72	10,293.28
Total Undistributed Expenditures - Required Maint for School Facilities	1,037,562.50	947,574.00	1,985,136.50	1,788,691.96	196,444.54
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	2,184,205.00	208,228.00	2,392,433.00	2,392,431.72	1.28
Purchased Prof and Technical Services	20,000.00	-	20,000.00	4,934.84	15,065.16
Other Purchased Property Services	98,000.00	6,781.00	104,781.00	104,780.91	0.09
Insurance	115,335.00	-	115,335.00	115,335.00	-
General Supplies	150,000.00	42,151.00	192,151.00	192,150.74	0.26
Energy (Natural Gas)	694,185.00	(411,235.00)	282,950.00	234,126.03	48,823.97
Energy (Heat and Electricity)	1,259,000.00	(159,641.00)	1,099,359.00	1,016,790.26	82,568.74
Lease Purchase Pymts - Energy Savings Impr Prog	558,109.00	252,226.00	810,335.00	810,334.13	0.87
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	5,078,834.00	(61,490.00)	5,017,344.00	4,870,883.63	146,460.37

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Student Transportation Services:					
Sal for Pupil Trans (Bet Home & Sch) - Reg.	\$ 1,028,095.00	\$ (61,912.00)	\$ 966,183.00	\$ 952,018.32	\$ 14,164.68
Sal for Pupil Trans (Bet Home & Sch) - Sp Ed	739,061.00	87,037.00	826,098.00	817,203.93	8,894.07
Sal for Pupil Trans (Other than Bet. Home & Sch)	20,000.00	-	20,000.00	(5,549.33)	25,549.33
Social Security Contributions	56,782.00	-	56,782.00	-	56,782.00
Health Benefits	907,317.00	(886,084.00)	21,233.00	-	21,233.00
Other Purchased Professional and Technical Services	6,000.00	18,643.00	24,643.00	24,642.60	0.40
Cleaning, Repair and Maintenance Services	25,000.00	25,880.00	50,880.00	50,879.44	0.56
Lease Purchase Payments - School Buses	208,195.00	162,853.00	371,048.00	371,047.12	0.88
Contr Serv. - Aid in Lieu of Payments - Non Public Sch	138,670.00	-	138,670.00	126,237.40	12,432.60
Contracted Services - (Between Home and School) - Joint Agreement	192,500.00	1,387.00	193,887.00	193,886.30	0.70
Contracted Services (Special Education Students) - Vendors	16,500.00	-	16,500.00	-	16,500.00
Contracted Services (Special Education Students) - Joint Agreements	423,428.00	(177,856.00)	245,572.00	194,778.01	50,793.99
Miscellaneous Purchased Services - Transportation	80,273.00	15.00	80,288.00	80,288.00	-
General Supplies	312,419.00	(60,722.00)	251,697.00	171,713.29	79,983.71
Fuel Costs Funded by Advertising Revenue	12,500.00	-	12,500.00	-	12,500.00
Miscellaneous Expenditures	126,624.00	4,675.00	131,299.00	83,846.72	47,452.28
Total Undistributed Expenditures - Student Transportation Services	4,293,364.00	(886,084.00)	3,407,280.00	3,060,991.80	346,288.20
Unallocated Benefits - Employee Benefits					
Social Security Contributions	903,156.00	76,180.00	979,336.00	979,335.91	0.09
Other Retirement Contributions - PERS	1,036,445.00	-	1,036,445.00	1,012,037.00	24,408.00
Workmen's Compensation	306,372.00	-	306,372.00	300,000.00	6,372.00
Health Benefits	10,062,222.00	(76,180.00)	9,986,042.00	9,947,300.23	38,741.77
Tuition Reimbursement	49,000.00	-	49,000.00	22,656.00	26,344.00
Other Employee Benefits	31,000.00	-	31,000.00	-	31,000.00
Unused Sick Payment to Terminated/Retired Staff	30,000.00	-	30,000.00	-	30,000.00
Total Unallocated Benefits - Employee Benefits	12,418,195.00	-	12,418,195.00	12,261,329.14	156,865.86
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	2,735,256.00	(2,735,256.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)	-	-	-	2,188,139.00	(2,188,139.00)
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)	-	-	-	108,999.00	(108,999.00)
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	2,143,554.27	(2,143,554.27)
Total On-behalf Contributions	-	-	-	7,175,948.27	(7,175,948.27)
Total Undistributed Expenditures	34,067,632.50	602,878.00	34,670,510.50	40,364,689.38	(5,694,178.88)
Total Current Expense	64,667,239.50	23,764.00	64,691,003.50	69,494,942.89	(4,803,939.39)

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Interest Deposit to Capital Reserve	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ 500.00
Capital Outlay:					
Equipment:					
Grades 1-5	12,000.00	-	12,000.00	-	12,000.00
Grades 6-8	12,000.00	-	12,000.00	-	12,000.00
Undistributed Expenditures:					
General Administration	16,000.00	-	16,000.00	9,718.47	6,281.53
Admin Info Tech	179,309.00	-	179,309.00	-	179,309.00
Non-Instructional Service	41,000.00	-	41,000.00	-	41,000.00
Total Equipment	260,309.00	-	260,309.00	9,718.47	250,590.53
Facilities Acquisition and Construction Services					
Construction Services	398,000.00	-	398,000.00	396,719.08	1,280.92
Assessment for Debt Service on SDA Funding	83,924.00	-	83,924.00	83,924.00	-
Capital Reserve - Transfer to Repayment of Debt	252,971.00	-	252,971.00	252,971.00	-
Total Facilities Acquisition and Construction Services	734,895.00	-	734,895.00	733,614.08	1,280.92
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Solar Panels / Equipment	-	-	-	1,306,427.95	(1,306,427.95)
Total Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	1,306,427.95	(1,306,427.95)
Total Capital Outlay	995,704.00	-	995,704.00	2,049,760.50	(1,054,056.50)
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	242,000.00	1,873.00	243,873.00	243,872.50	0.50
General Supplies	13,500.00	(2,446.00)	11,054.00	11,053.79	0.21
Other Objects	35,000.00	28,445.00	63,445.00	63,444.27	0.73
Total Summer School - Instruction	290,500.00	27,872.00	318,372.00	318,370.56	1.44
Adult Education - Local - Instruction					
Salaries of Teachers	50,000.00	(13,350.00)	36,650.00	11,813.25	24,836.75
General Supplies	15,000.00	(10,671.00)	4,329.00	3,684.81	644.19
Other Objects	4,225.00	(3,851.00)	374.00	-	374.00
Total Adult Education - Local - Instruction	69,225.00	(27,872.00)	41,353.00	15,498.06	25,854.94

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2016

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Adult Education-Local-Support Serv. Salaries	\$ 60,600.00	\$ -	\$ 60,600.00	\$ 47,485.91	\$ 13,114.09
Total Adult Education-Local-Support Serv.	<u>60,600.00</u>	<u>-</u>	<u>60,600.00</u>	<u>47,485.91</u>	<u>13,114.09</u>
Total Special Schools	<u>420,325.00</u>	<u>-</u>	<u>420,325.00</u>	<u>381,354.53</u>	<u>38,970.47</u>
Transfer of Funds to Charter Schools	<u>15,764.00</u>	<u>(15,764.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>66,099,032.50</u>	<u>8,000.00</u>	<u>66,107,032.50</u>	<u>71,926,057.92</u>	<u>(5,819,025.42)</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,136,703.50)</u>	<u>-</u>	<u>(4,136,703.50)</u>	<u>(991,428.61)</u>	<u>3,145,274.89</u>
Other Financing Sources (Uses):					
Capital Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,306,427.95</u>	<u>1,306,427.95</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,306,427.95</u>	<u>1,306,427.95</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(4,136,703.50)</u>	<u>-</u>	<u>(4,136,703.50)</u>	<u>314,999.34</u>	<u>4,451,702.84</u>
Fund Balances, July 1	<u>9,983,944.42</u>	<u>-</u>	<u>9,983,944.42</u>	<u>9,983,944.42</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,847,240.92</u>	<u>\$ -</u>	<u>\$ 5,847,240.92</u>	<u>\$ 10,298,943.76</u>	<u>\$ 4,451,702.84</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,648,958.00	
School Bus Advertising 50% fuel offset reserve - Current Year				9,076.32	
Designated for Subsequent Year's Expenditures - 50% fuel offset reserve - Prior Year				3,963.00	
Excess Surplus - Current Year				3,005,007.78	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				3,169,984.98	
Assigned:					
Year-End Encumbrances				310,922.70	
Designated for Subsequent Year's Expenditures				426,296.02	
Unassigned				<u>1,724,734.96</u>	
				<u>10,298,943.76</u>	
Reconciliation to Governmental Funds Statements(GAAP):					
June 2016 State Aid Payments Not Recognized on GAAP Basis				<u>(389,346.00)</u>	
				<u>\$ 9,909,597.76</u>	

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Required Supplementary Information
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
State Sources:					
NJ Non-Public Nursing	\$ 2,158.00	\$ 3,242.00	\$ 5,400.00	\$ 4,770.00	\$ 630.00
NJ Non-Public Textbook Aid	5,779.00	(2,352.00)	3,427.00	2,987.00	440.00
NJ Non-Public Technology Aid	-	1,560.00	1,560.00	1,378.00	182.00
NJ Non-Public Security Aid	-	1,500.00	1,500.00	1,233.00	267.00
NJ Non-Public Chapter 192/193	<u>30,697.00</u>	<u>(30,697.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - State Sources	<u>38,634.00</u>	<u>(26,747.00)</u>	<u>11,887.00</u>	<u>10,368.00</u>	<u>1,519.00</u>
Federal Sources:					
Title I	98,679.00	189,334.00	288,013.00	282,403.75	5,609.25
Title IIA	49,642.00	16,434.00	66,076.00	65,464.18	611.82
Title III	11,921.00	4,809.00	16,730.00	16,535.45	194.55
Title III Immigrant	-	11,800.00	11,800.00	11,687.16	112.84
I.D.E.A., Part B, Basic	755,437.00	291,419.00	1,046,856.00	1,044,909.30	1,946.70
I.D.E.A., Part B, Preschool	<u>-</u>	<u>51,617.00</u>	<u>51,617.00</u>	<u>50,142.40</u>	<u>1,474.60</u>
Total - Federal Sources	<u>915,679.00</u>	<u>565,413.00</u>	<u>1,481,092.00</u>	<u>1,471,142.24</u>	<u>9,949.76</u>
Total Revenues	<u>\$ 954,313.00</u>	<u>\$ 538,666.00</u>	<u>\$ 1,492,979.00</u>	<u>\$ 1,481,510.24</u>	<u>\$ 11,468.76</u> (Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Required Supplementary Information
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 866,037.00	\$ (483,018.00)	\$ 383,019.00	\$ 381,558.32	\$ 1,460.68
Purchased Professional and Technical Services	49,642.00	(46,598.00)	3,044.00	2,835.00	209.00
Other Purchased Services	-	475,491.00	475,491.00	475,462.50	28.50
Supplies and Materials	-	56,555.00	56,555.00	55,321.10	1,233.90
Textbooks	5,779.00	(2,352.00)	3,427.00	2,987.00	440.00
Total Instruction	921,458.00	78.00	921,536.00	918,163.92	3,372.08
Support Services:					
Salaries	-	3,000.00	3,000.00	2,999.96	0.04
Personal Services - Employee Benefits	-	99,585.00	99,585.00	99,585.00	-
Purchased Technical Services	2,158.00	365,014.00	367,172.00	360,598.48	6,573.52
Purchased Professional - Educational Services	30,697.00	(30,697.00)	-	-	-
Other Purchased Services (400-500 series)	-	24,200.00	24,200.00	24,073.71	126.29
Supplies and Materials	-	71,567.00	71,567.00	70,170.17	1,396.83
Total Support Services	32,855.00	532,669.00	565,524.00	557,427.32	8,096.68
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	5,919.00	5,919.00	5,919.00	-
Total Facilities Acquisition and Construction Services	-	5,919.00	5,919.00	5,919.00	-
Total Expenditures	954,313.00	538,666.00	1,492,979.00	1,481,510.24	11,468.76
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MOUNT LAUREL 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 70,934,629.31	\$ 1,481,510.24
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		none
Prior Year		none
The June 2015 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 (GASB 33)	405,640.00	
The June 2016 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 (GASB 33)	<u>(389,346.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 70,950,923.31</u>	<u>\$ 1,481,510.24</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 71,926,057.92	\$ 1,481,510.24
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.		
Current Year		none
Prior Year		none
Operating Transfer Out	<u>(252,971.00)</u>	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 71,673,086.92</u>	<u>\$ 1,481,510.24</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF MOUNT LAUREL 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	0.1177154312%	0.1182242906%	0.1211101177%
School District's Proportionate Share of the Net Pension Liability	\$ 26,424,755.00	\$ 22,134,821.00	\$ 23,146,550.00
School District's Covered Payroll (Plan Measurement Period)	\$ 8,835,792.00	\$ 9,077,132.00	\$ 8,916,248.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	299.06%	243.85%	259.60%
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 MOUNT LAUREL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	<u>Fiscal Year Ended June 30,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,075,240.00	\$ 1,012,037.00	\$ 974,624.00
Contributions in Relation to the Contractually Required Contribution	<u>(1,075,240.00)</u>	<u>(1,012,037.00)</u>	<u>(974,624.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 8,128,814.00	\$ 8,030,222.00	\$ 7,879,863.00
Contributions as a Percentage of School District's Covered Payroll	13.23%	12.60%	12.37%

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 MOUNT LAUREL 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 Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>184,989,742.00</u>	<u>156,787,974.00</u>	<u>152,707,472.00</u>
	<u><u>\$ 184,989,742.00</u></u>	<u><u>\$ 156,787,974.00</u></u>	<u><u>\$ 152,707,472.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 34,216,500.00	\$ 34,423,472.00	\$ 34,430,284.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	540.64%	455.47%	443.53%
Plan Fiduciary Net Position as a Percentage of the Total 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 MOUNT LAUREL SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

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 MOUNT LAUREL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

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.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Total</u>	<u>N.C.L.B.</u>				<u>Total Carried Forward</u>
		<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	
REVENUES:						
Federal Sources	\$ 1,471,142.24	\$ 282,403.75	\$ 65,464.18	\$ 16,535.45	\$ 11,687.16	\$ 1,095,051.70
State Sources	10,368.00					10,368.00
Total Revenues	1,481,510.24	282,403.75	65,464.18	16,535.45	11,687.16	1,105,419.70
EXPENDITURES:						
Instruction:						
Salaries of Teachers	381,558.32	151,558.32				230,000.00
Purchased Professional and Technical Services	2,835.00			1,360.00	97.00	1,378.00
Other Purchased Services	475,462.50			192.50	270.00	475,000.00
Supplies & Materials	55,321.10			14,982.95	11,320.16	29,017.99
Textbooks	2,987.00					2,987.00
Total Instruction	918,163.92	151,558.32	-	16,535.45	11,687.16	738,382.99
Support Services:						
Salaries	2,999.96	2,999.96				
Personal Services - Employee Benefits	99,585.00	39,785.00				59,800.00
Purchased Technical Services	360,598.48	34,266.00	31,888.48			294,444.00
Other Purchased Services (400-500 series)	24,073.71	17,200.00				6,873.71
Supplies & Materials	70,170.17	36,594.47	33,575.70			-
Total Support Services	557,427.32	130,845.43	65,464.18	-	-	361,117.71
Facilities Acquisition and Construction Services:						
Instructional Equipment	5,919.00					5,919.00
Total Facilities Acquisition and Construction Services	5,919.00	-	-	-	-	5,919.00
Total Expenditures	\$ 1,481,510.24	\$ 282,403.75	\$ 65,464.18	\$ 16,535.45	\$ 11,687.16	\$ 1,105,419.70

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	Total Carried Forward	I.D.E.A Part B, Basic	I.D.E.A. Part B, Preschool	NJ Non-Public Nursing	NJ Non-Public Textbook Aid	NJ Non-Public Technology Aid	NJ Non-Public Security Aid
REVENUES:							
Federal Sources	\$ 1,095,051.70	\$ 1,044,909.30	\$ 50,142.40				
State Sources	10,368.00			\$ 4,770.00	\$ 2,987.00	\$ 1,378.00	\$ 1,233.00
Total Revenues	<u>1,105,419.70</u>	<u>1,044,909.30</u>	<u>50,142.40</u>	<u>4,770.00</u>	<u>2,987.00</u>	<u>1,378.00</u>	<u>1,233.00</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	230,000.00	205,000.00	25,000.00				
Purchased Professional and Technical Services	1,378.00					1,378.00	
Other Purchased Services	475,000.00	475,000.00					
Supplies & Materials	29,017.99	26,716.59	2,301.40				
Textbooks	2,987.00				2,987.00		
Total Instruction	<u>738,382.99</u>	<u>706,716.59</u>	<u>27,301.40</u>	<u>-</u>	<u>2,987.00</u>	<u>1,378.00</u>	<u>-</u>
Support Services:							
Salaries	-						
Personal Services - Employee Benefits	59,800.00	53,300.00	6,500.00				
Purchased Technical Services	294,444.00	272,100.00	16,341.00	4,770.00			1,233.00
Purchased Professional - Educational Services	-						
Other Purchased Services (400-500 series)	6,873.71	6,873.71					
Supplies & Materials	-						
Total Support Services	<u>361,117.71</u>	<u>332,273.71</u>	<u>22,841.00</u>	<u>4,770.00</u>	<u>-</u>	<u>-</u>	<u>1,233.00</u>
Facilities Acquisition and Construction Services:							
Instructional Equipment	5,919.00	5,919.00					
Total Facilities Acquisition and Construction Services	<u>5,919.00</u>	<u>5,919.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,105,419.70</u>	<u>\$ 1,044,909.30</u>	<u>\$ 50,142.40</u>	<u>\$ 4,770.00</u>	<u>\$ 2,987.00</u>	<u>\$ 1,378.00</u>	<u>\$ 1,233.00</u>

PROPRIETARY FUNDS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Proprietary Fund

Combining Statement of Net Position

June 30, 2016

	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 492,733.17	\$ 2,898,478.89	\$ 3,391,212.06
Accounts Receivable:			
State	1,035.65		1,035.65
Federal	27,106.58		27,106.58
Inventories	32,569.36		32,569.36
Total Current Assets	<u>553,444.76</u>	<u>2,898,478.89</u>	<u>3,451,923.65</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	415,878.63		415,878.63
Less Accumulated Depreciation	<u>(156,415.97)</u>		<u>(156,415.97)</u>
Total Noncurrent Assets	<u>259,462.66</u>	<u>-</u>	<u>259,462.66</u>
Total Assets	<u>812,907.42</u>	<u>2,898,478.89</u>	<u>3,711,386.31</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	133,917.44		133,917.44
Interfund Payable	5,000.00		5,000.00
Unearned Revenues	31,551.39		31,551.39
Total Liabilities	<u>170,468.83</u>	<u>-</u>	<u>170,468.83</u>
NET POSITION:			
Net Investment in Capital Assets	259,462.66		259,462.66
Unrestricted	<u>382,975.93</u>	<u>2,898,478.89</u>	<u>3,281,454.82</u>
Total Net Position	<u>\$ 642,438.59</u>	<u>\$ 2,898,478.89</u>	<u>\$ 3,540,917.48</u>

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 475,130.98		\$ 475,130.98
Daily Sales - Non-Reimbursable Programs	311,699.58		311,699.58
Other Miscellaneous	37,293.61		37,293.61
Tuition and Daycare Fees		\$ 1,455,392.55	1,455,392.55
	<u>824,124.17</u>	<u>1,455,392.55</u>	<u>2,279,516.72</u>
Total Operating Revenues	824,124.17	1,455,392.55	2,279,516.72
OPERATING EXPENSES:			
Salaries	472,442.44	759,334.87	1,231,777.31
Employee Benefits	37,279.55		37,279.55
Supplies and Materials	41,028.85	43,943.64	84,972.49
Cost of Sales-Reimbursable Programs	379,049.01		379,049.01
Cost of Sales-Non-Reimbursable Programs	113,396.00		113,396.00
Management Fee	73,264.02		73,264.02
Insurance	19,759.34		19,759.34
Office Supplies	1,366.55		1,366.55
Auto Expense	1,355.47		1,355.47
Service Contracts	22,011.27		22,011.27
Miscellaneous	14,079.32	37,708.04	51,787.36
Depreciation	28,454.11		28,454.11
	<u>1,203,485.93</u>	<u>840,986.55</u>	<u>2,044,472.48</u>
Total Operating Expenses	1,203,485.93	840,986.55	2,044,472.48
Operating Income / (Loss)	(379,361.76)	614,406.00	235,044.24
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	12,833.61		12,833.61
Federal Sources:			
National School Lunch Program	320,745.45		320,745.45
National School Breakfast Program	13,947.57		13,947.57
Food Distribution Program	87,544.72		87,544.72
	<u>435,071.35</u>	<u>-</u>	<u>435,071.35</u>
Total Nonoperating Revenues (Expenses)	435,071.35	-	435,071.35
Change in Net Position	55,709.59	614,406.00	670,115.59
Net Position -- July 1	586,729.00	2,284,072.89	2,870,801.89
Net Position -- June 30	\$ 642,438.59	\$ 2,898,478.89	\$ 3,540,917.48

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Extended Kindergarten/ Daycare</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 827,661.36	\$ 1,455,392.55	\$ 2,283,053.91
Payments to Employees	(467,442.44)	(759,334.87)	(1,226,777.31)
Payments for Employee Benefits	(37,279.55)		(37,279.55)
Payments to Suppliers	(379,606.72)	(43,943.64)	(423,550.36)
Payments to Other	(208,639.63)	(44,159.97)	(252,799.60)
Net Cash Provided by (Used for) Operating Activities	<u>(265,306.98)</u>	<u>607,954.07</u>	<u>342,647.09</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal and State Sources	<u>351,872.04</u>		<u>351,872.04</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>351,872.04</u>	<u>-</u>	<u>351,872.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	86,565.06	607,954.07	694,519.13
Cash and Cash Equivalents -- July 1	<u>406,168.11</u>	<u>2,290,524.82</u>	<u>2,696,692.93</u>
Cash and Cash Equivalents -- June 30	<u>\$ 492,733.17</u>	<u>\$ 2,898,478.89</u>	<u>\$ 3,391,212.06</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (379,361.76)	\$ 614,406.00	\$ 235,044.24
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	28,454.11		28,454.11
Food Distribution Program	87,544.72		87,544.72
(Increase) Decrease in Inventories	(7,845.64)		(7,845.64)
Increase (Decrease) in Unearned Revenue	3,040.40		3,040.40
Increase (Decrease) in Other Current Liabilities	2,861.19	(6,451.93)	(3,590.74)
Total Adjustments	<u>114,054.78</u>	<u>(6,451.93)</u>	<u>107,602.85</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (265,306.98)</u>	<u>\$ 607,954.07</u>	<u>\$ 342,647.09</u>

FIDUCIARY FUNDS

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:				
Cash and Cash Equivalents	\$ 974,371.53	\$ 80,711.25	\$ 336,145.87	\$ 1,391,228.65
Total Assets	<u>974,371.53</u>	<u>\$ 80,711.25</u>	<u>\$ 336,145.87</u>	<u>1,391,228.65</u>
LIABILITIES:				
Payable to Student Groups	-	\$ 80,711.25	\$ -	80,711.25
Accrued Salaries and Wages	-	-	1,254.99	1,254.99
Payroll Deductions and Withholdings	-	-	334,890.88	334,890.88
Total Liabilities	<u>-</u>	<u>\$ 80,711.25</u>	<u>\$ 336,145.87</u>	<u>416,857.12</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 974,371.53</u>			<u>\$ 974,371.53</u>

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2016

	<u>Private Purpose Trust Fund</u> Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Plan Member	\$ 116,823.76
Total Additions	<u>116,823.76</u>
DEDUCTIONS:	
Unemployment Claims	24,184.48
Quarterly Payroll Reports	<u>47,518.72</u>
Total Deductions	<u>71,703.20</u>
Change in Net Position	45,120.56
Net Position -- July 1	<u>929,250.97</u>
Net Position -- June 30	<u><u>\$ 974,371.53</u></u>

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
ELEMENTARY SCHOOLS:				
Countryside	\$ 581.21	\$ 6,584.87	\$ 6,556.38	\$ 609.70
Fleetwood	2,685.16	3,344.43	3,276.55	2,753.04
Hillside	6,710.20	11,106.64	13,976.24	3,840.60
Larchmont	3,612.18	9,635.54	8,199.65	5,048.07
Parkway	13,393.18	7,411.20	6,915.71	13,888.67
Springville	7,799.83	21,628.88	24,865.36	4,563.35
Hartford	<u>23,221.76</u>	<u>65,230.07</u>	<u>64,840.05</u>	<u>23,611.78</u>
Total Elementary Schools	<u>58,003.52</u>	<u>124,941.63</u>	<u>128,629.94</u>	<u>54,315.21</u>
MIDDLE SCHOOL:				
Harrington	<u>36,962.71</u>	<u>59,418.47</u>	<u>69,985.14</u>	<u>26,396.04</u>
Total Middle School	<u>36,962.71</u>	<u>59,418.47</u>	<u>69,985.14</u>	<u>26,396.04</u>
Total All Schools	<u>\$ 94,966.23</u>	<u>\$ 184,360.10</u>	<u>\$ 198,615.08</u>	<u>\$ 80,711.25</u>

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

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 323,007.19	\$ 47,241,587.43	\$ 47,228,448.75	\$ 336,145.87
Total Assets	<u>\$ 323,007.19</u>	<u>\$ 47,241,587.43</u>	<u>\$ 47,228,448.75</u>	<u>\$ 336,145.87</u>
LIABILITIES:				
Accrued Salaries and Wages	\$ 1,264.41	\$ 25,464,740.08	\$ 25,464,749.50	\$ 1,254.99
Payroll Deductions and Withholdings	321,742.78	21,776,847.35	21,763,699.25	334,890.88
Total Liabilities	<u>\$ 323,007.19</u>	<u>\$ 47,241,587.43</u>	<u>\$ 47,228,448.75</u>	<u>\$ 336,145.87</u>

LONG-TERM DEBT

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Decrease</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds Series 2013	5/7/2013	\$ 11,905,000.00	08/01/16	\$ 2,295,000.00	4.00%	\$ 11,905,000.00	\$ 2,215,000.00	\$ 9,690,000.00
			08/01/17	2,375,000.00	4.00%			
			08/01/18	2,465,000.00	4.00%			
			08/01/19	2,555,000.00	4.00%			
School Refunding Bonds Series 2012	3/20/2012	8,900,000.00	12/01/16	1,790,000.00	3.00%	7,185,000.00	1,805,000.00	5,380,000.00
			12/01/17	1,775,000.00	3.00%			
			12/01/18	1,815,000.00	3.00%			
						<u>\$ 19,090,000.00</u>	<u>\$ 4,020,000.00</u>	<u>\$ 15,070,000.00</u>

TOWNSHIP OF MOUNT LAUREL 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 (a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2016 (a)</u>
			<u>Principal</u>	<u>Interest</u>					
Solar Panels / Equipment	August 2015	3 years	\$ 1,306,427.95	\$ 35,958.47	1.37%	\$ -	\$ 1,306,427.95	\$ -	\$ 1,306,427.95
						<u>\$ -</u>	<u>\$ 1,306,427.95</u>	<u>\$ -</u>	<u>\$ 1,306,427.95</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,693,937.00	\$ -	\$ 3,693,937.00	\$ 3,693,937.00	\$ -
State Sources:					
Debt Service Aid Type II	732,392.00	-	732,392.00	732,392.00	-
Other Sources:					
Transfers from Capital Reserve	<u>252,971.00</u>	<u>-</u>	<u>252,971.00</u>	<u>252,971.00</u>	<u>-</u>
Total Revenues	<u>4,679,300.00</u>	<u>-</u>	<u>4,679,300.00</u>	<u>4,679,300.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	659,300.00	-	659,300.00	609,300.00	50,000.00
Redemption of Principal	<u>4,219,969.00</u>	<u>-</u>	<u>4,219,969.00</u>	<u>4,020,000.00</u>	<u>199,969.00</u>
Total Expenditures	<u>4,879,269.00</u>	<u>-</u>	<u>4,879,269.00</u>	<u>4,629,300.00</u>	<u>249,969.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(199,969.00)	-	(199,969.00)	50,000.00	249,969.00
Other Financing Sources:					
Operating Transfers In:	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,722.91</u>	<u>51,722.91</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditure	(199,969.00)	-	(199,969.00)	101,722.91	301,691.91
Fund Balance, July 1	<u>229,464.25</u>	<u>-</u>	<u>229,464.25</u>	<u>229,464.25</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 29,495.25</u>	<u>\$ -</u>	<u>\$ 29,495.25</u>	<u>\$ 331,187.16</u>	<u>\$ 301,691.91</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (199,969.00)</u>	<u>\$ -</u>	<u>\$ (199,969.00)</u>	<u>\$ 101,722.91</u>	<u>\$ 301,691.91</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 MOUNT LAUREL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net Investment in Capital Assets	31,886,917.44	29,896,903.72	27,477,852.83	24,901,844.57	22,952,048.96	20,818,610.71	19,400,820.27	18,124,368.89	16,515,656.26	15,690,592.64
Restricted	8,905,395.96	8,527,644.25	8,376,044.19	8,674,440.43	7,971,520.12	7,284,786.77	8,269,748.58	9,131,676.68	7,663,564.50	7,495,291.24
Unrestricted (Deficit)	(24,367,543.13)	(23,768,027.31)	(652,108.80)	(786,773.66)	(750,740.07)	(457,229.54)	(343,646.82)	(973,290.67)	(674,085.98)	(642,869.07)
Total governmental activities net position	16,424,770.27	14,656,520.66	35,201,788.22	32,789,511.34	30,172,829.01	27,646,167.94	27,326,922.03	26,282,754.90	23,505,134.78	22,543,014.81
Business-type activities										
Net Investment in Capital Assets	259,462.66	202,585.69	201,765.74	198,427.81	162,054.86	108,001.41	105,696.63	96,784.63	101,720.77	24,713.59
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,281,454.82	2,668,216.20	2,203,009.67	1,948,721.45	1,767,439.46	1,553,766.84	1,342,658.47	1,201,516.10	1,056,571.83	825,268.30
Total business-type activities net position	3,540,917.48	2,870,801.89	2,404,775.41	2,147,149.26	1,929,494.32	1,661,768.25	1,448,355.10	1,298,300.73	1,158,292.60	849,981.89
District-wide										
Net Investment in Capital Assets	32,146,380.10	30,099,489.41	27,679,618.57	25,100,272.38	23,114,103.82	20,926,612.12	19,506,516.90	18,221,153.52	16,617,377.03	15,715,306.23
Restricted	8,905,395.96	8,527,644.25	8,376,044.19	8,674,440.43	7,971,520.12	7,284,786.77	8,269,748.58	9,131,676.68	7,663,564.50	7,495,291.24
Unrestricted (Deficit)	(21,086,088.31)	(21,099,811.11)	1,550,900.87	1,161,947.79	1,016,699.39	1,096,537.30	999,011.65	228,225.43	382,485.85	182,399.23
Total district net position	19,965,687.75	17,527,322.55	37,606,563.63	34,936,660.60	32,102,323.33	29,307,936.19	28,775,277.13	27,581,055.63	24,663,427.38	23,392,996.70

Note: GASB 68 was implemented for June 30, 2015 year end

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
Instruction										
Regular	22,560,681.88	23,042,078.12	22,782,578.47	21,924,086.65	21,521,460.39	21,560,497.25	21,899,412.23	21,638,524.21	21,311,172.48	21,124,789.29
Special education	7,655,000.12	7,460,625.54	7,135,275.05	7,332,086.76	7,218,345.92	7,635,313.68	7,484,076.15	6,402,670.56	5,709,094.57	5,261,033.42
Other special education	692,280.25	724,683.72	665,675.60	616,478.04	759,044.11	788,842.20	881,768.50	789,323.50	707,293.85	683,934.50
Other instruction	331,334.91	268,517.64	228,557.73	275,883.40	265,603.54	266,350.21	391,642.75	396,442.78	342,437.92	358,692.75
Support Services:										
Tuition	1,196,615.86	1,173,182.66	1,194,266.81	996,187.31	1,185,929.92	1,117,817.57	937,529.57	1,018,860.20	1,145,431.15	1,114,486.82
Student & instruction related services	6,576,145.93	6,243,275.01	5,879,802.08	5,809,069.10	5,504,469.20	5,249,015.92	5,969,481.46	5,743,459.78	5,481,900.62	5,425,011.25
General administration	990,696.81	1,032,190.47	971,789.31	1,021,098.43	929,477.00	900,332.29	1,020,466.61	951,486.13	952,419.97	916,201.08
School Administrative services	2,076,457.12	2,078,346.82	2,105,748.54	2,062,779.82	2,082,862.39	1,994,375.33	2,136,754.29	2,117,348.72	1,985,177.25	2,048,624.58
Central Services	901,849.97	851,507.81	882,838.49	893,318.87	871,928.63	868,022.24	881,595.63	851,014.18	830,804.50	821,720.44
Administrative information technology	585,184.09	622,030.45	529,963.95	550,541.41	552,797.08	559,215.10	530,636.65	595,731.03	544,618.28	483,961.33
Plant operations and maintenance	6,969,368.09	5,973,267.13	5,629,237.84	5,132,298.80	5,445,479.18	5,007,669.10	5,001,521.19	4,989,786.15	5,699,750.05	4,775,668.82
Pupil transportation	3,060,991.80	3,136,583.16	3,235,003.74	2,952,168.00	3,013,420.42	3,357,015.61	3,222,447.86	3,151,442.69	3,416,515.77	3,314,775.11
Unallocated Benefits	29,038,485.86	24,460,691.88	15,956,334.87	16,561,764.40	14,339,201.71	13,588,057.22	12,305,823.29	11,649,199.13	14,331,160.31	13,640,514.27
Special Schools	381,354.53	354,743.46	400,308.19	391,280.86	368,401.42	409,943.37	413,192.62	400,329.01	365,322.15	351,955.58
Interest on long-term debt	600,150.72	713,093.74	840,236.35	1,098,322.68	1,350,365.61	1,551,077.63	1,581,197.56	1,652,729.83	1,787,981.97	1,873,201.08
Unallocated depreciation	410,691.00	89,727.18	437,575.00	576,536.27	438,664.00	462,212.00	519,769.00	648,687.75	155,470.26	302,129.00
Total governmental activities expenses	84,027,288.94	78,224,544.79	68,875,192.02	68,193,900.80	65,847,450.52	65,315,756.72	65,177,315.36	62,997,035.65	64,766,551.10	62,496,699.32
Business-type activities:										
Food service	1,203,485.93	1,240,012.93	1,224,069.65	1,158,486.45	1,147,468.10	1,190,859.19	1,166,576.04	1,149,718.70	1,005,700.62	1,046,117.87
Child Care	840,986.55	881,312.46	474,417.88	478,502.41	436,117.66	415,437.25	453,475.52	431,475.35	399,366.76	411,193.21
Total business-type activities expense	2,044,472.48	2,121,325.39	1,698,487.53	1,636,988.86	1,583,585.76	1,606,296.44	1,620,051.56	1,581,194.05	1,405,067.38	1,457,311.08
Total district expenses	86,071,761.42	80,345,870.18	70,573,679.55	69,830,889.66	67,431,036.28	66,922,053.16	66,797,366.92	64,578,229.70	66,171,618.48	63,954,010.40
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	1,269,990.47	920,066.40	606,351.13	597,830.24	537,821.63	341,543.90	320,938.27	310,970.32	275,335.67	324,234.63
Pupil transportation	-	-	-	-	-	8,479.20	-	8,194.30	9,477.25	20,669.75
Special Schools	351,315.01	367,462.45	367,893.46	394,262.24	361,091.95	423,928.01	425,244.38	421,921.30	410,029.07	368,768.82
Operating grants and contributions	17,649,690.51	15,074,768.45	7,409,137.38	8,335,458.00	6,938,134.80	6,236,541.36	6,411,025.62	5,757,069.16	7,017,835.51	6,695,643.20
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	19,270,995.99	16,362,297.30	8,383,381.97	9,327,550.48	7,837,048.38	7,010,492.47	7,157,208.27	6,498,155.08	7,712,677.50	7,409,316.40

(Continued)

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities:										
Charges for services										
Food service	824,124.17	842,789.96	779,732.49	810,091.21	818,134.24	847,696.80	848,982.19	858,700.05	808,230.19	781,543.36
Child care	1,455,392.55	1,297,982.65	755,192.43	643,998.18	648,910.00	618,623.56	581,911.21	560,803.71	560,331.88	541,308.46
Operating grants and contributions	435,071.35	446,579.22	413,727.50	389,526.11	364,651.20	339,406.13	332,588.78	294,877.49	306,938.51	258,792.51
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>2,714,588.07</u>	<u>2,587,351.83</u>	<u>1,948,652.42</u>	<u>1,843,615.50</u>	<u>1,831,695.44</u>	<u>1,805,726.49</u>	<u>1,763,482.18</u>	<u>1,714,381.25</u>	<u>1,675,500.58</u>	<u>1,581,644.33</u>
Total district program revenues	<u>21,985,584.06</u>	<u>18,949,649.13</u>	<u>10,332,034.39</u>	<u>11,171,165.98</u>	<u>9,668,743.82</u>	<u>8,816,218.96</u>	<u>8,920,690.45</u>	<u>8,212,536.33</u>	<u>9,368,178.08</u>	<u>8,990,960.73</u>
Net (Expense)/Revenue										
Governmental activities	(64,756,292.95)	(61,862,247.49)	(60,491,810.05)	(58,866,350.32)	(58,010,402.14)	(58,305,264.25)	(58,020,107.09)	(56,498,880.57)	(57,053,873.60)	(55,087,382.92)
Business-type activities	670,115.59	466,026.44	250,164.89	206,626.64	248,109.68	199,430.05	143,430.62	133,187.20	270,433.20	124,333.25
Total district-wide net expense	<u>(64,086,177.36)</u>	<u>(61,396,221.05)</u>	<u>(60,241,645.16)</u>	<u>(58,659,723.68)</u>	<u>(57,762,292.46)</u>	<u>(58,105,834.20)</u>	<u>(57,876,676.47)</u>	<u>(56,365,693.37)</u>	<u>(56,783,440.40)</u>	<u>(54,963,049.67)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	56,481,794.00	55,374,308.00	54,288,538.00	53,302,761.00	52,282,119.00	51,256,979.00	50,186,321.00	49,485,496.00	47,973,294.00	45,932,163.00
Taxes levied for debt service	3,693,937.00	3,679,403.00	3,591,619.00	3,442,784.00	3,359,475.00	3,362,585.00	3,728,475.00	3,727,609.00	3,709,952.00	3,476,427.00
Federal and State Aid Not Restricted	5,631,271.19	4,941,059.23	4,736,220.59	4,639,109.02	4,550,346.50	3,617,810.42	4,750,054.36	5,584,485.62	5,843,605.65	5,724,603.78
Federal and State Aid Restricted	-	-	-	3,422.00	35,738.34	49,491.54	114,712.07	-	5,649.00	29,369.99
Miscellaneous income	778,915.37	468,759.70	287,709.34	420,736.91	315,262.37	345,636.71	337,850.13	478,910.07	697,549.23	975,230.24
Special Items	(61,375.00)	-	-	(9,157.00)	(5,878.00)	(7,992.51)	(53,138.34)	-	(214,056.31)	-
Total governmental activities	<u>66,524,542.56</u>	<u>64,463,529.93</u>	<u>62,904,086.93</u>	<u>61,799,655.93</u>	<u>60,537,063.21</u>	<u>58,624,510.16</u>	<u>59,064,274.22</u>	<u>59,276,500.69</u>	<u>58,015,993.57</u>	<u>56,137,794.01</u>
Business-type activities:										
Miscellaneous income	-	0.04	7,461.26	11,028.30	19,616.39	13,983.10	6,623.75	6,820.93	37,877.51	34,368.77
Special Items	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>0.04</u>	<u>7,461.26</u>	<u>11,028.30</u>	<u>19,616.39</u>	<u>13,983.10</u>	<u>6,623.75</u>	<u>6,820.93</u>	<u>37,877.51</u>	<u>34,368.77</u>
Total district-wide	<u>66,524,542.56</u>	<u>64,463,529.97</u>	<u>62,911,548.19</u>	<u>61,810,684.23</u>	<u>60,556,679.60</u>	<u>58,638,493.26</u>	<u>59,070,897.97</u>	<u>59,283,321.62</u>	<u>58,053,871.08</u>	<u>56,172,162.78</u>
Change in Net Position										
Governmental activities	1,768,249.61	2,601,282.44	2,412,276.88	2,933,305.61	2,526,661.07	319,245.91	1,044,167.13	2,777,620.12	962,119.97	1,050,411.09
Business-type activities	670,115.59	466,026.48	257,626.15	217,654.94	267,726.07	213,413.15	150,054.37	140,008.13	308,310.71	158,702.02
Total district	<u>2,438,365.20</u>	<u>3,067,308.92</u>	<u>2,669,903.03</u>	<u>3,150,960.55</u>	<u>2,794,387.14</u>	<u>532,659.06</u>	<u>1,194,221.50</u>	<u>2,917,628.25</u>	<u>1,270,430.68</u>	<u>1,209,113.11</u>

Note: GASB 68 was implemented for June 30, 2015 year end

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved							7,306,249.85	8,072,498.77	6,054,660.60	5,434,390.90
Unreserved							1,297,002.66	630,746.91	903,662.20	924,280.06
Restricted	7,836,990.08	7,726,561.18	7,877,025.34	7,844,712.85	6,817,775.63	4,518,858.85				
Assigned	737,218.72	519,895.91	201,397.67	606,792.92	754,775.97	1,969,276.68				
Unassigned	1,335,388.96	1,331,847.33	1,238,448.67	1,142,816.08	1,186,251.40	1,335,059.33				
Total general fund	<u>9,909,597.76</u>	<u>9,578,304.42</u>	<u>9,316,871.68</u>	<u>9,594,321.85</u>	<u>8,758,803.00</u>	<u>7,823,194.86</u>	<u>8,603,252.51</u>	<u>8,703,245.68</u>	<u>6,958,322.80</u>	<u>6,358,670.96</u>
All Other Governmental Funds										
Reserved							439,717.81	354,214.71	870,736.95	749,662.50
Unreserved, reported in:										
Special revenue fund										
Capital projects fund							518,266.21	518,266.21	636,666.21	1,013,980.48
Debt service fund							5,514.71	186,696.99	101,500.74	297,257.36
Restricted	331,187.16	81,218.16	251,692.18	97,473.66	398,968.52	796,651.24				
Assigned	-	199,969.00	45,929.00	125,461.00						
Total all other governmental funds	<u>331,187.16</u>	<u>281,187.16</u>	<u>297,621.18</u>	<u>222,934.66</u>	<u>398,968.52</u>	<u>796,651.24</u>	<u>963,498.73</u>	<u>1,059,177.91</u>	<u>1,608,903.90</u>	<u>2,060,900.34</u>

(1) In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund Balance was changed.

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Tax levy	60,175,731.00	59,053,711.00	57,880,157.00	56,745,545.00	55,641,594.00	54,619,564.00	53,914,796.00	53,213,105.00	51,683,246.00	49,408,590.00
Other Restricted Miscellaneous Revenues	351,315.01	367,462.45	367,893.46	394,262.24	361,091.95	423,928.01	425,244.38	421,921.30	410,029.07	368,768.82
Unrestricted Miscellaneous Revenues	2,048,905.84	1,388,826.10	894,060.47	1,018,567.15	853,084.00	661,748.81	658,788.40	798,074.69	982,362.15	1,320,134.62
State sources	12,724,669.27	11,785,404.56	10,786,765.45	11,596,569.02	9,878,064.03	8,340,773.05	9,208,572.54	9,941,815.82	11,459,187.35	11,119,901.64
Federal sources	1,558,141.43	1,376,123.12	1,358,592.52	1,381,420.00	1,646,155.61	1,596,981.27	2,067,219.51	1,399,738.96	1,407,902.81	1,329,715.33
Total revenue	76,858,762.55	73,971,527.23	71,287,468.90	71,136,363.41	68,379,989.59	65,642,995.14	66,274,620.83	65,774,655.77	65,942,727.38	63,547,110.41
Expenditures										
Instruction										
Regular Instruction	20,982,480.03	20,828,705.94	20,895,129.29	20,290,308.59	19,890,594.73	19,960,678.89	20,182,169.97	19,726,885.52	19,426,643.93	19,022,732.88
Special education instruction	7,567,322.24	7,337,660.42	7,030,416.76	7,241,321.31	7,127,742.27	7,546,434.88	7,388,673.80	6,297,928.93	5,604,398.54	5,163,591.20
Other special instruction	692,280.25	724,683.72	665,675.60	616,478.04	759,044.11	788,842.20	881,768.50	789,323.50	707,293.85	683,934.50
Other instruction	331,334.91	268,517.64	228,557.73	275,883.40	265,603.54	266,350.21	391,642.75	396,442.78	342,437.92	358,692.75
Support Services:										
Tuition	1,196,615.86	1,173,182.66	1,194,266.81	996,187.31	1,185,929.92	1,117,817.57	937,529.57	1,018,860.20	1,145,431.15	1,114,486.82
Student & inst. related services	6,576,145.93	6,243,275.01	5,879,802.08	5,809,069.10	5,550,631.39	5,249,015.92	5,969,481.46	5,743,459.78	5,481,900.62	5,425,011.25
General administration	990,696.81	1,032,190.47	971,789.31	1,021,098.43	929,477.00	900,332.29	1,020,466.61	951,486.13	952,419.97	916,201.08
School administrative services	1,988,779.24	1,955,381.70	2,000,890.25	1,972,014.37	1,992,258.74	1,905,496.53	2,041,351.94	2,012,607.09	1,880,481.22	1,951,182.36
Central services	901,849.97	851,507.81	882,838.49	893,318.87	871,928.63	868,022.24	881,595.63	851,014.18	830,804.50	821,720.44
Admin. information technology	585,184.09	622,030.45	529,963.95	550,541.41	552,797.08	559,215.10	530,636.65	595,731.03	544,618.28	483,961.33
Plant operations and maintenance	6,969,368.09	6,253,161.79	6,227,900.96	5,132,298.80	5,445,479.18	5,007,669.10	5,001,521.19	5,230,379.87	5,469,750.05	4,775,668.82
Pupil transportation	3,060,991.80	3,136,583.16	3,235,003.74	2,952,168.00	3,013,420.42	3,394,904.47	3,555,228.52	3,151,442.69	3,258,154.69	3,540,445.55
Unallocated Benefits	19,437,277.41	17,543,624.71	15,995,367.14	16,569,166.13	14,194,499.11	13,436,417.83	12,269,211.39	11,649,199.13	14,320,561.25	13,640,514.27
Special Schools	381,354.53	354,743.46	400,308.19	391,280.86	368,401.42	409,943.37	413,192.62	400,329.01	365,322.15	351,955.58
Capital outlay	1,408,992.00	641,862.55	1,179,452.88	1,264,422.30	1,238,451.59	3,127,805.54	980,590.00	989,624.20	1,119,220.33	2,169,616.88
Debt service:										
Principal	4,020,000.00	3,935,000.00	3,752,662.61	3,322,662.59	3,207,662.59	3,062,662.59	2,744,662.59	2,710,812.80	2,592,662.59	2,442,662.59
Interest and other charges	693,224.00	824,417.02	845,263.98	1,178,658.91	1,248,142.45	1,538,291.55	1,543,659.99	1,617,398.31	1,767,327.63	1,855,671.32
Total expenditures	77,783,897.16	73,726,528.51	71,915,289.77	70,476,878.42	67,842,064.17	69,139,900.28	66,733,383.18	64,132,925.15	65,809,428.67	64,718,049.62
Excess (Deficiency) of revenues over (under) expenditures	(925,134.61)	244,998.72	(627,820.87)	659,484.99	537,925.42	(3,496,905.14)	(458,762.35)	1,641,730.62	133,298.71	(1,170,939.21)
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,306,427.95	-	425,057.22	-	-	2,550,000.00	263,090.00	132,499.16	280,600.00	860,115.00
Cancellation of Prior Year Accounts Receivable	-	-	-	-	-	-	-	(579,032.89)	(266,243.31)	-
Proceeds of Refunding Bonds	-	-	-	11,905,000.00	8,900,000.00	-	-	-	-	-
Deferred Loss of Defeasance of Bonds	-	-	-	(376,596.60)	(650,590.40)	-	-	-	-	-
Cost of Issuance - Refunding Bonds	-	-	-	-	(105,705.00)	-	-	-	-	-
Premium - Refunding Bonds	-	-	-	1,371,596.60	744,295.40	-	-	-	-	-
Payment to Refunded Bond Escrow Account	-	-	-	(12,900,000.00)	(8,888,000.00)	-	-	-	-	-
Transfers in	304,693.91	254,071.00	300,000.00	-	518,266.21	537,670.61	5,511.30	9,750.36	101,499.84	297,254.27
Transfers out	(304,693.91)	(254,071.00)	(300,000.00)	-	(518,266.21)	(537,670.61)	(5,511.30)	(9,750.36)	(101,499.84)	(297,254.27)
Total other financing sources (uses)	1,306,427.95	-	425,057.22	-	-	2,550,000.00	263,090.00	(446,533.73)	14,356.69	860,115.00
Net change in fund balances	381,293.34	244,998.72	(202,763.65)	659,484.99	537,925.42	(946,905.14)	(195,672.35)	1,195,196.89	147,655.40	(310,824.21)
Debt service as a percentage of noncapital expenditures	6.17%	6.51%	6.50%	6.50%	6.69%	6.97%	6.52%	6.85%	6.74%	6.87%

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 General Fund - Other Local Revenue By Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)
 Unaudited

	Fiscal Years Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Other Restricted Miscellaneous Revenues										
Summer School	302,966.18	275,829.77	267,301.19	248,793.28	221,858.27	226,540.53	221,981.22	290,459.01	216,730.94	208,716.56
Adult Education	48,348.83	91,632.68	100,592.27	145,468.96	139,233.68	197,387.48	203,263.16	131,462.29	193,298.13	160,052.26
Total Other Restricted Misc. Revenue	351,315.01	367,462.45	367,893.46	394,262.24	361,091.95	423,928.01	425,244.38	421,921.30	410,029.07	368,768.82
Unrestricted Miscellaneous Revenue										
Tuition / Transportation	1,270,392.42	998,457.23	606,903.63	597,830.24	537,821.63	350,023.10	320,938.27	319,164.62	284,812.92	344,904.38
Interest	54,532.00	45,773.18	65,390.64	86,926.10	143,303.04	121,387.91	142,885.14	95,287.97	327,301.96	321,156.94
Miscellaneous Prior Year Refunds	419,428.50				21,168.00	5,391.00	21,311.63	108,135.04	94,912.02	157,211.95
Miscellaneous	96,317.50	30,597.33	37,990.25	43,808.90	11,847.59	64,550.87	59,324.91	96,627.47	35,460.30	77,494.48
Building Rentals	44,395.04	44,113.19	52,245.97	23,326.63	52,455.20	51,979.51	50,494.32	54,700.92	56,314.56	64,450.75
E-RATE	145,687.73	127,864.46	126,101.90	90,864.64	81,330.22	92,597.77	58,015.73	114,007.55	80,349.34	57,661.85
Advertising-Sch Bus	18,152.65	7,925.73	5,249.97							
Closed Lease Escrow		134,094.98								
Total Unrestricted Miscellaneous Revenues	2,048,905.84	1,388,826.10	893,882.36	842,756.51	847,925.68	685,930.16	652,970.00	787,923.57	879,151.10	1,022,880.35
Total Miscellaneous Revenues	2,400,220.85	1,756,288.55	1,261,775.82	1,237,018.75	1,209,017.63	1,109,858.17	1,078,214.38	1,209,844.87	1,289,180.17	1,391,649.17

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 MOUNT LAUREL SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2016	47,516,000	3,895,112,500	9,305,800	451,800	1,521,702,600	145,915,500	143,734,100	5,763,738,300	92	5,763,738,392	311,660,900	6,293,131,625	1.064
2015	44,712,700	3,891,222,600	9,305,800	468,200	1,568,164,600	149,651,000	127,128,200	5,790,653,100	94	5,790,653,194	305,218,400	6,156,453,923	1.040
2014 R	53,450,200	3,881,977,200	9,305,800	469,500	1,571,550,300	150,364,200	119,039,900	5,786,157,100	-	5,786,157,100	303,903,300	6,395,426,411	1.021
2013	31,753,500	2,321,692,900	6,115,100	435,400	860,497,100	82,293,300	55,256,900	3,358,044,200	-	3,358,044,200	251,369,300	6,441,313,693	1.724
2012	33,255,200	2,320,319,800	5,997,300	474,800	912,915,100	86,433,900	56,792,000	3,416,188,100	6,680,913	3,422,869,013	250,662,000	6,447,484,862	1.659
2011	34,328,800	2,318,845,700	5,997,300	474,800	920,176,300	88,844,200	56,792,000	3,425,459,100	6,550,063	3,432,009,163	249,075,500	6,594,153,835	1.622
2010	40,216,900	2,320,475,600	6,142,700	434,600	924,046,400	89,788,900	54,367,200	3,435,472,300	7,028,480	3,442,500,780	248,658,700	7,017,735,428	1.586
2009	46,091,300	2,312,759,000	4,689,300	488,100	942,356,400	96,638,800	51,942,000	3,454,964,900	7,055,887	3,462,020,787	247,686,900	7,050,958,833	1.557
2008	51,578,600	2,295,148,200	5,020,700	485,900	908,640,700	97,272,900	51,942,000	3,410,089,000	6,858,945	3,416,947,945	246,363,300	6,733,625,068	1.557
2007	64,420,600	2,261,700,600	5,122,200	482,400	871,521,900	100,736,800	51,942,000	3,355,926,500	7,464,574	3,363,391,074	238,487,200	5,984,661,186	1.536

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

b - Tax rates are per \$100

R - Revaluation

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Per \$100.00 of Assessed Valuation

Last Ten Years

Unaudited

<u>Year</u>	<u>School District Direct Rate</u>			<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>(From J-6) Total Direct School Tax Rate</u>	<u>Regional School District</u>	<u>Township of Mount Laurel</u>	<u>Burlington County</u>	<u>Mount Laurel Fire District NO. 1</u>	
2016	1.000	0.065	1.064	0.671	0.458	0.408	0.144	2.745
2015	0.975	0.065	1.040	0.669	0.458	0.403	0.143	2.713
2014 R	0.957	0.064	1.021	0.682	0.453	0.387	0.143	2.686
2013	1.617	0.107	1.724	1.205	0.717	0.656	0.248	4.550
2012	1.558	0.101	1.659	1.087	0.697	0.653	0.242	4.338
2011	1.524	0.098	1.622	1.058	0.679	0.670	0.240	4.269
2010	1.488	0.098	1.586	1.076	0.643	0.712	0.238	4.255
2009	1.449	0.108	1.557	0.973	0.602	0.714	0.213	4.059
2008	1.448	0.109	1.557	0.955	0.548	0.708	0.206	3.974
2007	1.426	0.110	1.536	0.918	0.548	0.691	0.183	3.876

Source: Abstract of Ratables for the County of Burlington

R - Revaluation

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Principal Property Taxpayers
 Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2016			2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Centerton Sq	66,097,200.00	1	1.15%	34,849,800.00	7	1.02%
ISTAR Bishops Gate	64,129,800.00	2	1.11%	46,508,200.00	4	1.36%
Centerton Road, LLC	58,185,700.00	3	1.01%			
Brandywine Op Ptner	49,965,600.00	4	0.87%	89,103,400.00	1	2.61%
TD Bank	46,429,300.00	5	0.81%	35,434,200.00	6	1.04%
Brandywine Grande	45,575,200.00	6	0.79%			
Gateway Park, LLC	44,993,300.00	7	0.78%	23,210,300.00	10	0.68%
Mount Laurel Crossing, LLC	38,018,400.00	8	0.66%			
Fairfield Ramblewood, LP	37,210,700.00	9	0.65%			
Marlborough TIC, LLC	37,128,800.00	10	0.64%			
Liberty Property, LLP				83,699,600.00	2	2.45%
6000 Midatlantic Drive Assoc./Whitesell				72,937,600.00	3	2.13%
East Gate Center				40,723,200.00	5	1.19%
Davis Enterprises/MRD Association				31,108,100.00	8	0.91%
HovPro/Hovnanian/JSP Assoc./Townsquare				28,411,300.00	9	0.83%
Total	487,734,000.00		8.46%	485,985,700.00		14.22%

Source: Municipal Tax Assessor

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	60,175,731.00	60,175,731.00	100.00%	-
2015	59,053,711.00	59,053,711.00	100.00%	-
2014	57,880,157.00	57,880,157.00	100.00%	-
2013	56,745,545.00	56,745,545.00	100.00%	-
2012	55,641,594.00	55,641,594.00	100.00%	-
2011	54,619,564.00	54,619,564.00	100.00%	-
2010	53,914,796.00	53,914,796.00	100.00%	-
2009	53,213,105.00	53,213,105.00	100.00%	-
2008	51,683,246.00	51,683,246.00	100.00%	-
2007	49,408,590.00	49,408,590.00	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.

Source: District Records

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 MOUNT LAUREL SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business- Type Activities	Total District	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Economic Development Loan	Capital Leases			
2016	15,070,000.00	-	1,306,427.95	-	-	16,376,427.95	Unavailable	Unavailable
2015	19,090,000.00	-	-	-	-	19,090,000.00	Unavailable	456.24
2014	23,025,000.00	-	425,057.22	-	-	23,450,057.22	1.05%	561.77
2013	26,410,000.00	-	1,010,000.00	367,662.20	-	27,787,662.20	1.29%	665.76
2012	30,360,000.00	-	2,124,948.03	735,324.79	-	33,220,272.82	1.55%	793.57
2011	33,188,000.00	-	2,396,303.81	1,102,987.38	-	36,687,291.19	1.81%	874.69
2010	35,883,000.00	-	189,352.70	1,470,649.97	-	37,543,002.67	1.89%	896.01
2009	38,260,000.00	-	615,298.02	1,838,312.56	-	40,713,610.58	2.22%	1,030.33
2008	39,645,000.00	1,455,000.00	1,025,612.82	2,205,975.15	-	44,331,587.97	2.37%	1,130.71
2007	41,530,000.00	1,795,000.00	1,276,348.57	2,573,637.74	-	47,174,986.31	2.64%	1,198.03

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Dept Of Labor and Workforce Development

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	15,070,000.00	-	15,070,000.00	0.26%	Unavailable
2015	19,090,000.00	-	19,090,000.00	0.33%	456.24
2014	23,025,000.00	-	23,025,000.00	0.40%	551.59
2013	26,410,000.00	-	26,410,000.00	0.79%	632.76
2012	30,360,000.00	-	30,360,000.00	0.89%	725.24
2011	33,188,000.00	-	33,188,000.00	0.97%	791.26
2010	35,883,000.00	-	35,883,000.00	1.04%	856.40
2009	38,260,000.00	-	38,260,000.00	1.11%	968.24
2008	39,645,000.00	-	39,645,000.00	1.16%	1,011.17
2007	41,530,000.00	-	41,530,000.00	1.23%	1,054.68

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(2) Population information provided by the NJ Dept Of Labor and Workforce Development

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Net Debt Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lenape Regional High School District (1) (B)	66,430,000.00	35.59%	23,644,568.12
Mount Laurel Township (1)	53,580,919.06	100.00%	53,580,919.06
County of Burlington (4) (A)	282,009,475.00	13.72%	38,694,538.05
Mount Laurel Township Fire District (3)	5,090,000.00	100.00%	5,090,000.00
Other Debt			
Mount Laurel Township Municipal Utilities Authority (2)	19,583,320.95	100.00%	<u>19,583,320.95</u>
Subtotal, overlapping debt			140,593,346.18
Mount Laurel Township School District Direct Debt (1)	15,070,000.00	100.00%	<u>15,070,000.00</u>
Total direct and overlapping debt			<u><u>155,663,346.18</u></u>

Sources:

- (1) Mount Laurel Township Audit Report - December 31, 2015
- (2) Mount Laurel Township Municipal Utilities Authority Audit Report - June 30, 2015
- (3) Mount Laurel Township Fire District Audit Report - December 31, 2015
- (4) County of Burlington Audit Report - December 31, 2015

(A) The debt for this entity was apportioned to Mount Laurel Township by dividing the Township's 2015 equalized value by the total 2015 equalized value for the County of Burlington, which results in an apportionment of 13.72%.

(B) The debt for this entity was apportioned to Mount Laurel Township by dividing the Township's 2015 average equalized value by the total 2015 average equalized value for the entire Regional School District, which results in an apportionment of 35.59%.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Computation of Legal Debt Margin
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

		<u>Equalized Valuation Basis (1)</u>
	2015	6,316,157,395.01
	2014	6,145,026,657.00
	2013	<u>6,382,900,969.00</u>
	[A]	<u>18,844,085,021.01</u>
Average equalized valuation of taxable property	[A/3]	6,281,361,673.67
Debt limit (3% of average equalization value) (2)	[B]	188,440,850.21
Total Net Debt Applicable to Limit	[C]	<u>15,070,000.00</u>
Legal Debt Margin	[B-C]	<u>173,370,850.21</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>
Debit Limit	188,440,850.21	190,736,032.34	193,795,353.34	195,956,975.61	200,923,474.73	205,865,801.62	206,001,800.00	194,546,283.84	176,700,738.77	156,434,005.59
Total net debt applicable to limit (3)	<u>15,070,000.00</u>	<u>19,090,000.00</u>	<u>23,025,000.00</u>	<u>26,777,662.20</u>	<u>31,095,324.79</u>	<u>34,290,987.38</u>	<u>37,353,650.00</u>	<u>40,098,312.56</u>	<u>43,305,975.15</u>	<u>45,898,537.74</u>
Legal Debt Margin	<u>173,370,850.21</u>	<u>171,646,032.34</u>	<u>170,770,353.34</u>	<u>169,179,313.41</u>	<u>169,828,149.94</u>	<u>171,574,814.24</u>	<u>168,648,150.00</u>	<u>154,447,971.28</u>	<u>133,394,763.62</u>	<u>110,535,467.85</u>
Total net debt applicable to the limit as a percentage of debt limit	8.00%	10.01%	11.88%	13.67%	15.48%	16.66%	18.13%	20.61%	24.51%	29.34%

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 8 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 MOUNT LAUREL SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2015	41,842	Unavailable	Unavailable	4.40%
2014	41,743	2,243,561,021.00	53,747.00	5.20%
2013	41,738	2,155,266,844.00	51,638.00	6.60%
2012	41,862	2,138,269,098.00	51,079.00	7.40%
2011	41,943	2,026,601,874.00	48,318.00	7.30%
2010	41,900	1,985,682,900.00	47,391.00	7.60%
2009	39,515	1,837,289,440.00	46,496.00	7.30%
2008	39,207	1,869,115,311.00	47,673.00	4.10%
2007	39,377	1,788,503,340.00	45,420.00	3.20%
2006	40,003	1,734,730,095.00	43,365.00	3.40%

(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

(3) Per Capita personal income by municipality-estimated based upon the 2010 Census published

(4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Principal Employers
 Current Year and Nine Years Ago
Unaudited

Employer	2016			2007		
	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)
CEDC	4,100	1				
PHH Mortgage	1,300	2				Information Not Available
TD Bank	1,200	3				
AMICA Mutual Insurance Co	800	4				
ARI	700	5				
Comcast Cable	550	6				
ADP	525	7				
Roosevelt Paper	500	8				
Target	500	8				
Virtua	500	8				
	<u>10,675</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Township of Mount Laurel Website

(1) Information Not Available

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 MOUNT LAUREL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	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>
Instruction										
Regular	342	342	342	341	341	345	351	349	349	349
Special education	68	68	69	69	69	69	62	62	62	62
Other special education	93	93	93	93	93	91	91	91	91	91
Other instruction	12	12	12	15	15	19	19	19	19	19
Support Services:										
Student & instruction related services	0	0	0	0	0	0	0	0	0	0
Social Work	5	5	5	5	5	5	5	4	4	4
Health Services	8	8	8	8	8	8	8	8	8	8
Support Services - Students	9	9	9	9	9	9	9	9	9	9
Support Services - Instructional Staff	0	0	0	0	0	0	0	0	0	0
Educational Media / Library	8	8	8	8	8	8	8	8	8	8
Instructional Staff Training Services	5	5	5	5	5	5	5	5	5	5
General administration	4	4	4	4	4	4	4	4	4	4
School administration	12	12	12	12	12	12	13	13	13	13
Central services	11	11	11	11	11	11	12	12	12	12
Administrative Information Technology	3	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	40	40	40	39	39	40	40	40	40	40
Pupil transportation	50	50	50	50	51	51	54	54	54	54
Other support services	60	60	64	61	61	61	61	61	61	62
Food Service	0	0	0	0	0	0	0	2	2	2
Total	730	729	734	732	733	740	744	743	743	744

Source: District Personnel Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year June 30,	Average Daily Enrollment (ADE) ^c	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2016	4,217	71,745,605.16	17,015.04	5.19%	342	11.60	10.48	N/A	4,217	4,060	-0.29%	96.29%
2015	4,229	68,409,172.94	16,176.21	1.98%	342	10.90	15.71	N/A	4,229	4,056	1.29%	95.91%
2014	4,175	66,221,834.30	15,861.52	1.39%	342	9.11	13.58	N/A	4,175	4,022	0.80%	96.34%
2013	4,142	64,795,058.62	15,643.42	3.87%	341	9.78	13.53	N/A	4,142	3,976	-1.69%	95.99%
2012	4,213	63,447,410.13	15,059.91	0.21%	341	8.12	12.29	N/A	4,213	4,068	-2.06%	96.55%
2011	4,302	64,644,099.14	15,027.92	4.51%	345	11.41	11.12	N/A	4,302	4,135	-0.94%	96.13%
2010	4,343	62,445,060.60	14,379.98	4.76%	351	10.92	9.83	N/A	4,343	4,172	-0.13%	96.07%
2009	4,348	59,686,314.04	13,726.99	-1.31%	349	10.19	11.09	N/A	4,348	4,175	-1.40%	96.01%
2008	4,410	61,338,367.49	13,909.24	4.79%	349	10.21	12.24	N/A	4,410	4,238	-2.14%	96.09%
2007	4,506	59,814,451.01	13,273.81	8.25%	349	10.61	12.20	N/A	4,506	4,324	-0.74%	95.96%

Sources: District Records

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>District Building</u>										
<u>Elementary</u>										
Countryside (1971)										
Square Feet	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Capacity (students)	418	418	418	418	418	418	418	418	418	418
Enrollment	326	321	341	311	315	351	365	329	355	365
Fleetwood (1963)										
Square Feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (students)	417	417	417	417	417	417	417	417	417	417
Enrollment	377	394	370	379	362	353	361	356	349	340
Hillside (1954)										
Square Feet	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102	44,102
Capacity (students)	443	443	443	443	443	443	443	443	443	443
Enrollment	366	321	340	377	407	408	390	395	384	404
Parkway (1966)										
Square Feet	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440	48,440
Capacity (students)	405	405	405	405	405	405	405	405	405	405
Enrollment	380	387	398	420	410	416	419	381	370	381
Larchmont (1990)										
Square Feet	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Capacity (students)	444	444	444	444	444	444	444	444	444	444
Enrollment	394	382	367	354	358	377	384	404	397	419
Hartford (1995)										
Square Feet	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000	139,000
Capacity (students)	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
Enrollment	965	985	970	921	908	898	947	1,015	1,029	1,035
Springville (2001)										
Square Feet	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400	78,400
Capacity (students)	502	502	502	502	502	502	502	502	502	502
Enrollment	434	461	458	454	468	452	427	428	451	474
<u>Middle</u>										
Harrington (1969)										
Square Feet	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600	146,600
Capacity (students)	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Enrollment	964	965	925	911	974	1,040	1,027	1,035	1,052	1,087
<u>Other</u>										
Hattie Britt (1960)										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Masonville (1950)										
Square Feet	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800
Number of Schools at June 30, 2016										
Elementary = 7										
Middle School = 1										
Senior High School = 0										
Other = 2										

Source: District Records

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance
 for School Facilities
 11-000-261-xxx

			Fiscal Year Ended June 30,									
			2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
* School Facilities	School Number	Project # (s)										
Unallocated			432,359.74	412,072.72	389,931.15	431,680.03	442,431.23	437,289.10	423,259.84	382,749.07	351,210.09	334,660.45
Countryside	010	N/A	53,735.91	157,005.57	43,484.21	40,563.38	40,967.76	38,048.08	45,687.66	44,607.84	28,991.83	47,365.79
Fleetwood	045	N/A	106,922.33	154,435.33	45,657.14	42,952.29	45,452.17	34,874.66	53,556.77	28,233.02	51,246.36	36,204.22
Hartford	047	N/A	333,133.24	131,744.56	83,624.99	91,969.72	82,846.86	86,612.05	75,473.74	90,694.34	107,212.53	118,523.37
Hillside	050	N/A	84,299.95	152,625.74	38,855.73	42,044.04	39,256.01	33,370.14	39,605.34	41,331.56	45,925.88	60,825.03
Larchmont	055	N/A	73,881.74	286,612.87	39,615.39	80,887.08	52,332.17	38,863.98	42,574.44	48,564.99	111,430.76	42,417.83
Harrington	060	N/A	184,969.20	154,118.06	235,643.66	82,913.78	94,150.95	103,389.99	86,100.32	185,416.71	309,922.05	114,202.82
Parkway	065	N/A	136,261.46	160,861.45	45,056.76	42,775.10	33,697.06	28,488.65	37,976.09	45,859.24	58,458.51	34,581.27
Springville	075	N/A	251,407.30	138,038.41	91,514.69	61,496.12	103,003.38	73,597.05	88,624.62	115,363.24	140,500.33	65,810.76
Total School Facilities			1,656,970.87	1,747,514.71	1,013,383.72	917,281.54	934,137.59	874,533.70	892,858.82	982,820.01	1,204,898.34	854,591.54
Masonville	999a	N/A	16,566.03	59,657.25	6,032.30	13,140.83	15,447.82	16,562.95	11,467.61	16,400.89	21,869.63	20,380.03
Board Office	999b	N/A	115,155.06	126,803.09	71,403.14	77,264.65	89,100.04	81,897.14	81,184.75	105,474.27	134,718.51	116,601.86
Total Other Facilities			131,721.09	186,460.34	77,435.44	90,405.48	104,547.86	98,460.09	92,652.36	121,875.16	156,588.14	136,981.89
Total			1,788,691.96	1,933,975.05	1,090,819.16	1,007,687.02	1,038,685.45	972,993.79	985,511.18	1,104,695.17	1,361,486.48	991,573.43

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: District Records

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT

Insurance Schedule

June 30, 2016

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property, Inland Marine and Automobile Physical Damages	150,000,000.00	500.00
Boiler and Machinery	125,000,000.00	1,000.00
Crime	500,000.00	500.00
General and Automobile Liability	20,000,000.00	
Workers' Compensation	Statutory	
Educator's Legal Liability	20,000,000.00	
Pollution Legal Liability	3,000,000.00	25,000.00
Cyber Liability	1,000,000.00	25,000.00
Violent Malicious Acts	1,000,000.00	15,000.00
Surety Bonds:		
Board Secretary	100,000.00	
Treasurer of School Funds	350,000.00	

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 Mount Laurel School District
Mount Laurel, New Jersey 08054

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Mount Laurel School District's, in the County of Burlington, 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 Mount Laurel School District's, in the County of Burlington, 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 Mount Laurel School District, in the County of Burlington, 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 Mount Laurel School District, in the County of Burlington, 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



Henry J. Ludwigsen
Certified Public Accountant
Public School Accountant No. CS 001112

Woodbury, New Jersey
November 15, 2016

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2016

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover / (Walkover) Amount
					From	To		
General Fund:								
U.S. Department of Health and Human Services								
Passed-through State Department of Education:								
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	\$ 86,999.19	7-1-2015	6-30-2016		
Total Medical Assistance Program							-	-
Total General Fund and Total U.S. Department of Health and Human Services							-	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
No Child Left Behind (NCLB):								
Title I Grants to Local Educational Agencies	84.010	S010A150030	N/A	130,190.00	7-1-2014	6-30-2015	\$ (11,087.00)	\$ (6,343.00)
Title I Grants to Local Educational Agencies	84.010	S010A150030	N/A	281,670.00	7-1-2015	6-30-2016		6,343.00
Total Title I							(11,087.00)	-
Improving Teacher Quality State Grants (Title II)	84.367	S367A150029	N/A	65,825.00	7-1-2014	6-30-2015	(1,146.81)	(207.00)
Improving Teacher Quality State Grants (Title II)	84.367	S367A150029	N/A	65,869.00	7-1-2015	6-30-2016		207.00
Total Title II							(1,146.81)	-
English Language Acquisition Grants (Title III)	84.365	S365A150030	N/A	16,730.00	7-1-2015	6-30-2016		
English Language Acquisition Grants (Title III Immigrant)	84.365	S365A150030	N/A	11,800.00	7-1-2015	6-30-2016		
Total Title III							-	-
Individuals with Disabilities Education Act (IDEA):								
Special Education Cluster:								
Special Education - Grants to States (IDEA, Part B)	84.027	H027A150100	N/A	1,004,083.00	7-1-2014	6-30-2015	(34,994.29)	(7,174.00)
Special Education - Grants to States (IDEA, Part B)	84.027	H027A150100	N/A	1,046,856.00	7-1-2015	6-30-2016		7,174.00
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A150114	N/A	50,480.00	7-1-2014	6-30-2015	(7,723.79)	(767.00)
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A150114	N/A	51,617.00	7-1-2015	6-30-2016		767.00
Total IDEA Special Education Cluster							(42,718.08)	-
Total Special Revenue Fund and Total U.S. Department of Education							(54,951.89)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	N/A	87,544.72	7-1-2015	6-30-2016		
National School Lunch Program	10.555	16161NJ304N1099	N/A	324,791.72	7-1-2014	6-30-2015	(29,895.49)	
National School Lunch Program	10.555	16161NJ304N1099	N/A	320,745.45	7-1-2015	6-30-2016		
School Breakfast Program	10.553	16161NJ304N1099	N/A	11,842.08	7-1-2014	6-30-2015	(1,373.88)	
School Breakfast Program	10.553	16161NJ304N1099	N/A	13,947.57	7-1-2015	6-30-2016		
Total Child Nutrition Cluster							(31,269.37)	-
Total Enterprise Fund and Total U.S. Department of Agriculture							(31,269.37)	-
Total Federal Financial Assistance							\$ (86,221.26)	\$ -

(a) see note 5 to the schedule of expenditures of federal awards and state 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.

Cash Received	Budgetary Expenditures			Passed- Through to Sub recipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance June 30, 2016		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 86,999.19	\$ (86,999.19)		\$ (86,999.19)						
86,999.19	(86,999.19)	-	(86,999.19)	-	-	-	-	-	-
86,999.19	(86,999.19)	-	(86,999.19)	-	-	-	-	-	-
17,426.00					\$ 4.00				
239,837.00	(282,403.75)		(282,403.75)		101.75		\$ (36,122.00)		
257,263.00	(282,403.75)	-	(282,403.75)	-	105.75	-	(36,122.00)	-	-
1,356.00					(2.19)				
48,515.00	(65,464.18)		(65,464.18)		(96.82)		(16,839.00)		
49,871.00	(65,464.18)	-	(65,464.18)	-	(99.01)	-	(16,839.00)	-	-
14,584.00	(16,535.45)		(16,535.45)		(0.55)		(1,952.00)		
11,000.00	(11,687.16)		(11,687.16)		0.16		(687.00)		
25,584.00	(28,222.61)	-	(28,222.61)	-	(0.39)	-	(2,639.00)	-	-
42,168.00					0.29				
1,012,346.00	(1,044,909.30)		(1,044,909.30)		64.30		(25,325.00)		
8,491.00					(0.21)				
45,421.00	(50,142.40)		(50,142.40)		(0.60)		(3,955.00)		
1,108,426.00	(1,095,051.70)	-	(1,095,051.70)	-	63.78	-	(29,280.00)	-	-
1,441,144.00	(1,471,142.24)	-	(1,471,142.24)	-	70.13	-	(84,880.00)	-	-
87,544.72	(87,544.72)		(87,544.72)						
29,895.49									
294,807.41	(320,745.45)		(320,745.45)				(25,938.04)		
1,373.88									
12,779.03	(13,947.57)		(13,947.57)				(1,168.54)		
426,400.53	(422,237.74)	-	(422,237.74)	-	-	-	(27,106.58)	-	-
426,400.53	(422,237.74)	-	(422,237.74)	-	-	-	(27,106.58)	-	-
\$ 1,954,543.72	\$ (1,980,379.17)	\$ -	\$ (1,980,379.17)	\$ -	\$ 70.13	\$ -	\$ (111,986.58)	\$ -	\$ -

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

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015		Carryover/ (Walkover) Amount
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Special Education Categorical Aid	495-034-5120-089	\$ 2,290,692.00	7-1-2014	6-30-2015	\$ (213,958.45)		
Special Education Categorical Aid	495-034-5120-089	2,290,692.00	7-1-2015	6-30-2016			
Security Aid	495-034-5120-084	335,153.00	7-1-2014	6-30-2015	(31,304.43)		
Security Aid	495-034-5120-084	335,153.00	7-1-2015	6-30-2016			
Additional Adjustment Aid	495-034-5120-085	3,387.00	7-1-2014	6-30-2015	(316.36)		
Additional Adjustment Aid	495-034-5120-085	3,387.00	7-1-2015	6-30-2016			
Per Pupil Growth Aid	495-034-5120-097	38,785.00	7-1-2014	6-30-2015	(3,622.65)		
Per Pupil Growth Aid	495-034-5120-097	38,785.00	7-1-2015	6-30-2016			
PARCC Readiness Aid	495-034-5120-098	38,785.00	7-1-2014	6-30-2015	(3,622.65)		
PARCC Readiness Aid	495-034-5120-098	38,785.00	7-1-2015	6-30-2016			
Total State Aid - Public Cluster					(252,824.54)	-	-
Categorical Transportation Aid	495-034-5120-014	1,636,080.00	7-1-2014	6-30-2015	(152,815.46)		
Categorical Transportation Aid	495-034-5120-014	1,636,080.00	7-1-2015	6-30-2016			
Nonpublic Transportation Aid	495-034-5120-014	45,642.00	7-1-2014	6-30-2015	(45,642.00)		
Nonpublic Transportation Aid	495-034-5120-014	49,870.00	7-1-2015	6-30-2016			
Total Transportation Aid					(198,457.46)	-	-
Extraordinary Special Education Aid	100-034-5120-473	451,678.00	7-1-2014	6-30-2015	(451,678.00)		
Extraordinary Special Education Aid	100-034-5120-473	396,915.00	7-1-2015	6-30-2016			
Total Extraordinary Special Education Aid					(451,678.00)	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	2,102,042.47	7-1-2014	6-30-2015	(103,520.10)		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	2,143,554.27	7-1-2015	6-30-2016			
Total Reimbursed TPAF Social Security Contributions					(103,520.10)	-	-
Total General Fund					(1,006,480.10)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
N.J. Nonpublic Aid:							
Nursing Services Aid	100-034-5120-070	9,200.00	7-1-2014	6-30-2015		\$ 2,371.00	
Nursing Services Aid	100-034-5120-070	5,400.00	7-1-2015	6-30-2016			
Total Nursing Services Aid					-	2,371.00	-
Textbook Aid	100-034-5120-064	5,779.00	7-1-2014	6-30-2015		835.00	
Textbook Aid	100-034-5120-064	3,427.00	7-1-2015	6-30-2016			
Total Textbook Aid					-	835.00	-
Technology Aid	100-034-5120-373	3,104.00	7-1-2014	6-30-2015		909.00	
Technology Aid	100-034-5120-373	1,560.00	7-1-2015	6-30-2016			
Total Technology Aid					-	909.00	-
Handicapped Aid	100-034-5120-066	33,217.00	7-1-2014	6-30-2015		6,638.00	
Security Aid	100-034-5120-509	1,500.00	7-1-2015	6-30-2016			
Total Special Revenue Fund					-	10,753.00	-
Debt Service Fund:							
New Jersey Department of Education:							
Debt Service Aid	495-034-5120-075	732,392.00	7-1-2015	6-30-2016			
Total Debt Service Fund					-	-	-
Total New Jersey Department of Education					(1,006,480.10)	10,753.00	-

Cash Received	Total Budgetary Expenditures	Passed- Through to Sub recipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2016			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 213,958.45									
2,085,327.96	\$ (2,290,692.00)				\$ (205,364.04)			\$ (205,364.04)	\$ 2,290,692.00
31,304.43									
305,106.02	(335,153.00)				(30,046.98)			(30,046.98)	335,153.00
316.36									
3,083.35	(3,387.00)				(303.65)			(303.65)	3,387.00
3,622.65									
35,307.87	(38,785.00)				(3,477.13)			(3,477.13)	38,785.00
3,622.65									
35,307.87	(38,785.00)				(3,477.13)			(3,477.13)	38,785.00
2,716,957.61	(2,706,802.00)	-	-	-	(242,668.93)	-	-	(242,668.93)	2,706,802.00
152,815.46									
1,489,402.93	(1,636,080.00)				(146,677.07)			(146,677.07)	1,636,080.00
45,642.00									
	(49,870.00)				(49,870.00)				49,870.00
1,687,860.39	(1,685,950.00)	-	-	-	(196,547.07)	-	-	(146,677.07)	1,685,950.00
451,678.00									
	(396,915.00)				(396,915.00)				396,915.00
451,678.00	(396,915.00)	-	-	-	(396,915.00)	-	-	-	396,915.00
103,520.10									
2,037,404.72	(2,143,554.27)				(106,149.55)				2,143,554.27
2,140,924.82	(2,143,554.27)	-	-	-	(106,149.55)	-	-	-	2,143,554.27
6,997,420.82	(6,933,221.27)	-	-	-	(942,280.55)	-	-	(389,346.00)	6,933,221.27
5,400.00	(4,770.00)			\$ (2,371.00)			\$ 630.00		4,770.00
5,400.00	(4,770.00)	-	-	(2,371.00)	-	-	630.00	-	4,770.00
3,427.00	(2,987.00)			(835.00)			440.00		2,987.00
3,427.00	(2,987.00)	-	-	(835.00)	-	-	440.00	-	2,987.00
1,560.00	(1,378.00)			(909.00)			182.00		1,378.00
1,560.00	(1,378.00)	-	-	(909.00)	-	-	182.00	-	1,378.00
				(6,638.00)					
1,500.00	(1,233.00)						267.00		1,233.00
11,887.00	(10,368.00)	-	-	(10,753.00)	-	-	1,519.00	-	10,368.00
732,392.00	(732,392.00)								732,392.00
732,392.00	(732,392.00)	-	-	-	-	-	-	-	732,392.00
7,741,699.82	(7,675,981.27)	-	-	(10,753.00)	(942,280.55)	-	1,519.00	(389,346.00)	7,675,981.27

(Continued)

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

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015		
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	100-010-3350-023	\$ 13,333.83	7-1-2014	6-30-2015	\$ (1,218.27)		
State School Lunch Program	100-010-3350-023	12,833.59	7-1-2015	6-30-2016			
Total Enterprise Fund / New Jersey Department of Agriculture					(1,218.27)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(1,007,698.37)	\$ 10,753.00	-
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 Contributions:							
TPAF Post Retirement Medical	495-034-5094-001	2,735,256.00	7-1-2015	6-30-2016			
Teacher's Pension & Annuity Fund	495-034-5094-002	2,188,139.00	7-1-2015	6-30-2016			
TPAF Non-contributory Insurance	495-034-5094-004	108,999.00	7-1-2015	6-30-2016			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (1,007,698.37)	\$ 10,753.00	\$ -

(a) see note 5 to the schedule of expenditures of federal awards and state 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.

Cash Received	Total Budgetary Expenditures	Passed- Through to Sub recipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2016			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 1,218.27									
11,797.96	\$ (12,833.61)				\$ (1,035.65)				\$ 12,833.61
13,016.23	(12,833.61)	-	-	-	(1,035.65)	-	-	-	12,833.61
7,754,716.05	(7,688,814.88)	-	-	\$ (10,753.00)	(943,316.20)	-	\$ 1,519.00	\$ (389,346.00)	7,688,814.88
2,735,256.00	(2,735,256.00)								2,735,256.00
2,188,139.00	(2,188,139.00)								2,188,139.00
108,999.00	(108,999.00)								108,999.00
5,032,394.00	(5,032,394.00)	-	-	-	-	-	-	-	5,032,394.00
<u>\$ 12,787,110.05</u>	<u>\$ (12,721,208.88)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,753.00)</u>	<u>\$ (943,316.20)</u>	<u>\$ -</u>	<u>\$ 1,519.00</u>	<u>\$ (389,346.00)</u>	<u>\$ 12,721,208.88</u>

TOWNSHIP OF MOUNT LAUREL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Mount Laurel 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 exception: 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 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 and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$16,294.00 for the general fund and \$-0- 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	\$ 86,999.19	\$ 11,981,909.27	\$ 12,068,908.46
Special Revenue	1,471,142.24	10,368.00	1,481,510.24
Debt Service	-	732,392.00	732,392.00
Food Service	422,237.74	12,833.61	435,071.35
Total Awards and Financial Assistance	<u>\$ 1,980,379.17</u>	<u>\$ 12,737,502.88</u>	<u>\$ 14,717,882.05</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2014-2015.

Note 6: 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 7: MAJOR PROGRAMS

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

TOWNSHIP OF MOUNT LAUREL 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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Special Education Cluster (I.D.E.A.):
84.027	H027A150100	I.D.E.A. Part B, Basic Regular
84.173	H173A150114	I.D.E.A. Preschool Incentive
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \$ 750,000

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

TOWNSHIP OF MOUNT LAUREL 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?

Identification of major programs:

GMIS Numbers

Name of State Program

_____ 495-034-5120-089

_____ Special Education Categorical Aid

_____ 495-034-5120-084

_____ Security Aid

_____ 495-034-5120-085

_____ Additional Adjustment Aid

_____ 495-034-5120-097

_____ Per Pupil Growth Aid

_____ 495-034-5120-098

_____ PARCC Readiness Aid

Dollar threshold used to determine Type A programs \$ 750,000

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

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

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.

No Current Year Findings.

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).

No Current Year Findings.

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.

No Current Year Findings.

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

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.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.