

**National Park Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016**

**SCHOOL DISTRICT
OF
NATIONAL PARK, NEW JERSEY**

**National Park Board of Education
National Park, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

National Park Board of Education
National Park, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by:

National Park Board of Education Administration

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INTRODUCTORY SECTION

NATIONAL PARK BOARD OF EDUCATION
516 LAKEHURST AVENUE
NATIONAL PARK, NJ 08063

856-845-6876
FAX 856-848-6710

October 12, 2016

Honorable President and
Members of the Board of Education
National Park School District
Gloucester County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State OMB's Circular 15-08, "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 are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: National Park School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The National Park Board of Education and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels pre-kindergarten through six. These include regular, as well as special education for handicapped students.

1) REPORTING ENTITY AND ITS SERVICES (CONTINUED): The District finished the 2015-2016 fiscal school year with a resident enrollment of 287 students, which is an increase of 4 students enrolled from the previous year. The following information is based upon enrollments as of October 15th of each year as reported on the Application for State School Aid.

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
On Roll	261	256	269	271	271
Total Classified Students	43	44	49	46	55
Local Programs Classified	35	38	36	40	47
Tuition					
a) Public	7	8	12	7	8
b) Private	1	1	1	1	0
Total Resident Students	240	239	243	246	245
% Classified Students	16.5%	17.2%	18.2%	17.0%	20.3%
Low Income	121	127	120	127	113
% Low Income	46.4%	49.6%	44.6%	46.9%	41.7%

The following indicates the changes of student population within the school (does not include tuition students):

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percentage Change</u>
2015-2016	271.9	.41%
2014-2015	270.8	-.51%
2013-2014	272.2	6.66%
2012-2013	255.2	-3.00%
2011-2012	263.1	-7.98%
2010-2011	285.9	-8.13%
2009-2010	311.2	4.53%
2008-2009	297.7	-2.84%
2007-2008	306.4	1.35%
2006-2007	302.3	-.95%

2) ECONOMIC CONDITION AND OUTLOOK: National Park is not experiencing any development or expansion. The economic recession continues to create an undue burden on the residents. The “at-risk” population of the District has steadily increased over the past several years, hovering around 50%. To help provide relief to the taxpayers of New Jersey, the State imposed a 2% cap on the increase to the district tax levy. Legislation passed in

2) ECONOMIC CONDITION AND OUTLOOK (CONTINUED): January 2012, allows a district to forgo a vote by the taxpayers if the district stays within that 2% cap, plus statutory adjustments. The 2016-17 budget approved by the Board was within this limit. Election of Board members is held in November and the Board reorganizes in January. The District is trying to maintain programs, expand technology, provide a safe and secure learning environment, and sustain a fiscally responsible fund balance. The Board has been able to set aside funds into a capital reserve account over the last several years for capital projects. The Board allocated approximately \$200,000 from capital reserve for bathroom renovations in the summer 2014. In December 2010, the District passed a bond referendum for a roof replacement. The District received a grant from the State providing 62% of the cost of the project.

3) MAJOR INITIATIVES: During the 2015-2016 school year the National Park School staff focused on enhancing math and science curriculum. Committees explored and piloted a number of math programs to more effectively meet the Common Core State Standards and prepare our students for PARCC. Science teachers worked to better understand the Next Generation Science Standards, outlining changes in science instruction across the grade levels, and determining purchasing needs for implementation, data continued to be a main area of focus as teachers reviewed assessment results at monthly grade level meetings and set instructional goals to meet the needs of each student. Staff members enhanced their use of Chromebooks in the classroom as an effective instructional tool, using Google Classroom and other online resources to provide more individualized instruction and give students more immediate feedback. Chromebooks were purchased for Grade 2, expanding the one to one initiative. Teachers were provided the opportunity to participate in a variety of professional development opportunities regarding Guided Reading instruction, independent reading strategies, classroom management, and Google Education. The National Park School staff continued to dedicate themselves to meeting the needs of each student through curriculum development, data analysis, professional development, and integration of technology into the educational program.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

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

7) DEBT ADMINISTRATION: At June 30, 2016, the District's outstanding debt issues included \$1,981,450 of General Obligation Bonds.

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 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland County Joint Insurance Fund. Now in its fifteenth year of operations, the JIF is performing well, meeting and/or exceeding expectations.

10) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the National Park Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

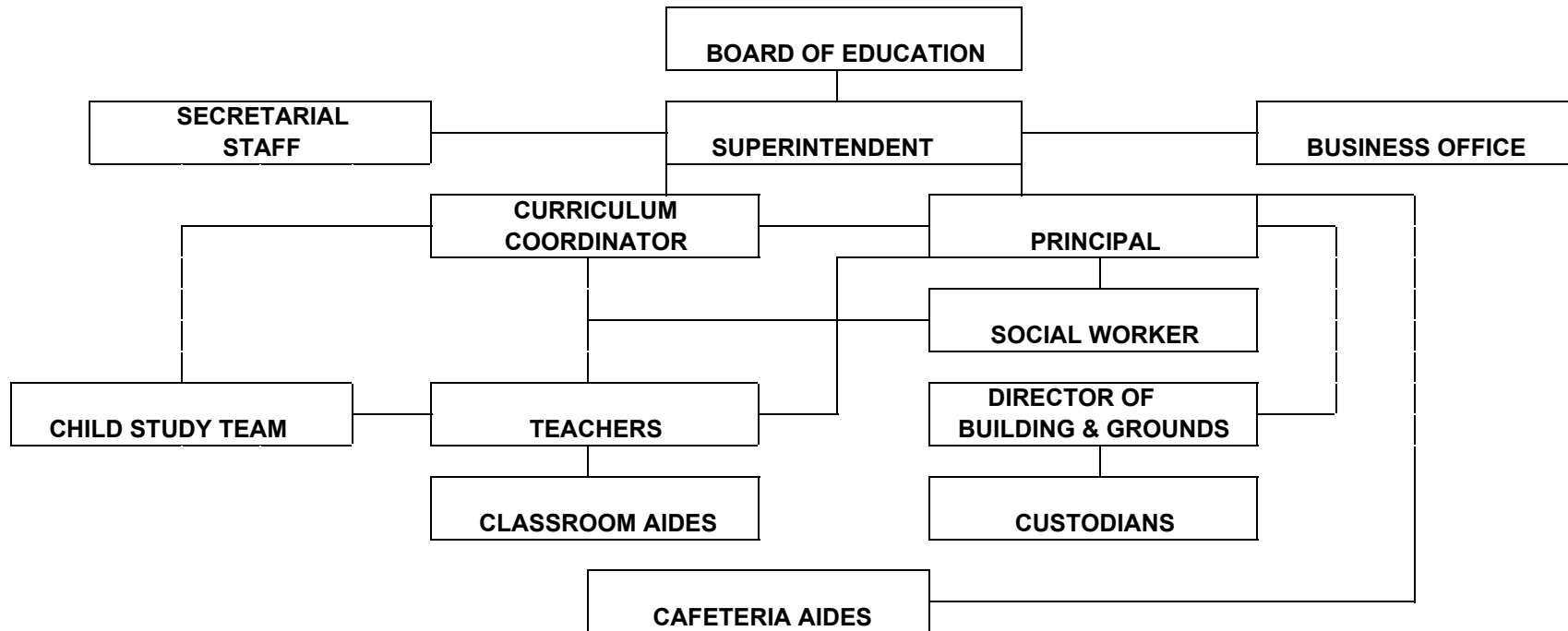
11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the National Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our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

Respectfully submitted,

Shannon M. Whalen
Shannon M. Whalen, Ed. D.
Superintendent

Donna J. Contrevo
Donna J. Contrevo
School Business Administrator/
Board Secretary

NATIONAL PARK SCHOOL DISTRICT ORGANIZATIONAL STRUCTURE



**NATIONAL PARK BOARD OF EDUCATION
National Park, NJ 08063**

**ROSTER OF OFFICIALS
June 30, 2016**

MEMBERS OF THE BOARD OF EDUCATION

Term Expires

Louis Jarrell, President	2016
Dawn Sholders, Vice President	2017
Jessica Fleming	2016
Aimee Hart	2016
JoAnn D. Hanson	2017
Frank Alloway	2018
Kelly Read	2018
Kevin Reed	2018

OTHER OFFICIALS

Dr. Shannon M. Whalen, Superintendent
Carla Bittner, Principal
Donna J. Contrevo, School Business Administrator/Board Secretary
Charles Owens, Treasurer
Joseph F. Betley, Esq., Solicitor

**NATIONAL PARK BOARD OF EDUCATION
National Park, NJ 08063**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Petroni & Associates LLC
102 West High St., Suite 100
Glassboro, NJ 08028

ATTORNEY

Capehart & Scatchard
Laurel Corporate Center, Suite 300
8000 Midlantic Drive
Mount Laurel, NJ 08054

ARCHITECT

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

OFFICIAL DEPOSITORY

Fulton Bank of New Jersey
Grove Avenue
National Park, NJ 08063

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Jeffrey T. Ridgway, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
National Park School District
516 Lakehurst Avenue
National Park, New Jersey 08063

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the National Park School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund, and the aggregate remaining fund information of the National Park Board of Education as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the National Park Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, 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), the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is the responsibility of Management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2016, on our consideration of the National Park Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering National Park Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

October 12, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- In total, net position increased \$238,745 in 2016.
- General revenues accounted for \$4,760,403; operating grants accounted for \$316,800 or 7 percent of total revenues of \$5,077,203.
- Total assets of Governmental Activities decreased by \$46,432. Cash and cash equivalents increased by \$174,097, receivables decreased by \$54,333, and capital assets decreased by \$166,196.
- The School District had \$4,838,458 in expenses; only \$316,800 of these expenses were offset by program specific charges for grants.
- Among major funds, the General Fund had \$5,077,203 in revenues and \$4,904,009 in expenditures. The General Fund's balance increased \$173,194 over 2015.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of National Park School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

Statement of Net Position and the Statement of Activities (Continued)

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

In the Statement of Net Position and the Statement of Activities, the School District reports Governmental Activities. Governmental Activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. The School District does not have any business like activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's major Governmental Funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

The School District as a Whole

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

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

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

The School District as a Whole (Continued)
Table 1 - Net Position

	<u>2016</u>	<u>2015</u>
ASSETS		
Current & other assets	\$ 1,973,618	\$ 1,853,854
Capital assets	<u>4,026,478</u>	<u>4,192,674</u>
Total assets	<u>6,000,096</u>	<u>6,046,528</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>170,059</u>	<u>63,040</u>
LIABILITIES		
Long-term liabilities	2,058,460	2,276,563
Other liabilities	694,431	747,861
Net pension liability	<u>1,031,494</u>	<u>835,225</u>
Total liabilities	<u>3,784,385</u>	<u>3,859,649</u>
DEFERRED INFLOWS OF RESOURCES	<u>44,717</u>	<u>147,611</u>
NET POSITION		
Invested in capital assets, net of debt	2,045,028	1,991,224
Restricted	1,233,323	1,054,248
Unrestricted	<u>(937,298)</u>	<u>(943,164)</u>
Total net position	<u>\$ 2,341,053</u>	<u>\$ 2,102,308</u>

Unrestricted net position; the part of net position that can be used to finance day to day activities, without constraints established by grants or legal requirements of the School District; decreased by \$5,826.

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

The School District as a Whole (Continued)

Table 2 shows the changes in net position for fiscal year 2016 with comparative data from 2015.

Table 2 - Changes in Net Position

	<u>2016</u>	<u>2015</u>
REVENUES:		
Program revenues:		
Operating grants & contributions	\$ 316,800	\$ 366,349
General revenues:		
Property taxes	2,088,593	2,059,875
Grants & entitlements	2,635,330	2,590,632
Other	36,480	61,273
Total revenues	<u>5,077,203</u>	<u>5,078,129</u>
 PROGRAM EXPENSES:		
Instruction	1,999,344	2,030,265
Support services:		
Pupil & instructional staff	766,275	814,942
General administration & school administration	330,737	330,862
Operations & maintenance of facilities	309,437	306,398
Pupil transportation	136,098	81,437
Employee benefits	1,033,657	961,326
Interest on long-term debt	87,720	96,721
Capital outlay	6,350	
Depreciation	168,840	174,272
Total expenses	<u>4,838,458</u>	<u>4,796,223</u>
 Increase (decrease) in net position	 <u>\$ 238,745</u>	 <u>\$ 281,906</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 42 percent of revenues for Governmental Activities for the National Park School District for fiscal year 2016.

Instruction comprises 42 percent of the District expenses. Support services expenses make up 54 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal year 2016 with comparative data from 2015.

That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

Governmental Activities (Continued)
Table 3 - Statement of Activities

	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:	\$ 1,999,344	\$ 1,772,986	\$ 2,030,265	\$ 1,759,826
Support services:				
Pupils and instructional staff	766,275	675,833	814,942	719,032
General administration & school				
Administration	330,737	330,737	330,862	330,862
Operations & maintenance	309,437	309,437	306,398	306,398
Pupil transportation	136,098	136,098	81,437	81,437
Employee benefits	1,033,657	1,033,657	961,326	961,326
Interest on long-term debt	87,720	87,720	96,721	96,721
Capital outlay	6,350	6,350		
Depreciation	168,840	168,840	174,272	174,272
Total expenses	<u>\$ 4,838,458</u>	<u>\$ 4,521,658</u>	<u>\$ 4,796,223</u>	<u>\$ 4,429,874</u>

Instruction expenses included activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration & school administration include expenses associated with administrative and financial supervision of the District.

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee benefits include the Board share of health benefits and the state on-behalf payments for TPAF pension and social security.

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

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenues of \$5,077,203 and expenditures of \$4,904,009.

National Park School District
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2016
 Unaudited

General Fund Budgeting Highlights

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

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

For the General Fund, the final budget basis revenue and other financing sources, not including non-budgeted state contributions, was \$4,020,782, which was \$34,233 more than original budgeted estimates of \$3,986,549.

The General Fund revenues exceeded the expenditures and other financing sources of the School District by \$178,851 for the year.

Capital Assets

At the end of the fiscal year 2016, the School District had \$4,026,478 invested in buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2016 balances compared to 2015.

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

	2016	2015
Site & site improvements	\$ 39,469	\$ 45,621
Buildings & building improvements	3,950,500	4,108,935
Machinery & equipment	36,509	38,118
	<u>\$ 4,026,478</u>	<u>\$ 4,192,674</u>

Net capital assets decreased by \$166,196 from fiscal year 2015 to fiscal year 2016.

Debt Administration

At June 30, 2016, the School District had \$2,058,460 as outstanding debt. Of this amount, \$77,010 is for compensated absences. The remaining \$1,981,450 is made up of the District's outstanding serial bonds.

For the Future

National Park School District is primarily a residential community, with very few industrial ratables; thus the financial burden is focused on homeowners.

State law limits the schools budget increase to a 2% cap on the previous years' district tax levy amount. With the increased pressures of salary, benefits, and direct operating costs rising well beyond that benchmark, the Board of Education and Administration are challenged to find ways to meet the educational needs of the students. With the down turn in the economy, budgets are built by keeping the taxpayer in mind while providing the best quality education in a safe learning environment.

National Park School District
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

For the Future (Continued)

In conclusion, the National Park School District has committed itself to financial excellence for many years. The School District's system for financial planning, budgeting, and internal controls are well regarded. The School District plans to continue its sound fiscal management to meet the demands of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Donna J. Contrevo, School Business Administrator/Board Secretary at Gateway Business Services, 775 Tanyard Road, Woodbury Heights, NJ 08097 or e-mail at: dcontrevo@gatewayhs.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

NATIONAL PARK SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 934,430	\$ 934,430
Receivables, net	743,908	743,908
Restricted assets:		
Cash and cash equivalents	1	1
Capital reserve account - cash	295,279	295,279
Capital assets, net	4,026,478	4,026,478
Total assets	6,000,096	6,000,096
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	170,059	170,059
LIABILITIES		
Cash overdraft	626,875	626,875
Accounts payable	55,674	55,674
Deferred revenue	11,882	11,882
Noncurrent liabilities:		
Due within one year	225,000	225,000
Due beyond one year	1,833,460	1,833,460
Net pension liability	1,031,494	1,031,494
Total liabilities	3,784,385	3,784,385
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	44,717	44,717
NET POSITION		
Invested in capital assets, net of related debt	2,045,028	2,045,028
Restricted for:		
Debt service	1	1
Capital projects	355,989	355,989
Other purposes	877,333	877,333
Unrestricted	(937,298)	(937,298)
Total net position	\$ 2,341,053	\$ 2,341,053

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$ 1,259,160				\$ (1,259,160)		\$ (1,259,160)
Special education	590,687		\$ 226,358		(364,329)		(364,329)
Other special instruction	140,766				(140,766)		(140,766)
School sponsored activities	5,210				(5,210)		(5,210)
Community service programs	3,521				(3,521)		(3,521)
Support services:							
Tuition	158,838				(158,838)		(158,838)
Student & instructional related services	607,437		90,442		(516,995)		(516,995)
General administration	74,594				(74,594)		(74,594)
School administrative services	173,162				(173,162)		(173,162)
Central services	82,981				(82,981)		(82,981)
Plant operations & maintenance	309,437				(309,437)		(309,437)
Pupil transportation	136,098				(136,098)		(136,098)
Employee benefits	1,033,657				(1,033,657)		(1,033,657)
Interest on long-term debt	87,720				(87,720)		(87,720)
Capital outlay	6,350				(6,350)		(6,350)
Unallocated depreciation	168,840				(168,840)		(168,840)
Total governmental activities	<u>4,838,458</u>		<u>316,800</u>		<u>(4,521,658)</u>		<u>(4,521,658)</u>
Total primary government	<u>\$ 4,838,458</u>		<u>\$ 316,800</u>		<u>\$ (4,521,658)</u>		<u>\$ (4,521,658)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 1,896,618		\$ 1,896,618
Taxes levied for debt service					191,975		191,975
Federal and state aid not restricted					2,635,330		2,635,330
Investment earnings					1,365		1,365
Miscellaneous income					35,115		35,115
Total general revenues, special items, extraordinary items, and transfers					<u>4,760,403</u>		<u>4,760,403</u>
Change in net position					238,745		238,745
Net position - beginning					<u>2,102,308</u>		<u>2,102,308</u>
Net position - end					<u>\$ 2,341,053</u>		<u>\$ 2,341,053</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

NATIONAL PARK SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 934,430				\$ 934,430
Receivables from other governments	45,481	\$ 92,434	\$ 599,550		737,465
Other receivables	576	5,867			6,443
Restricted cash and cash equivalents	295,279			\$ 1	295,280
Total assets	\$ 1,275,766	\$ 98,301	\$ 599,550	\$ 1	1,973,618
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash deficit		\$ 88,035	\$ 538,840		626,875
Accounts payable	\$ 44,619	11,055			55,674
Deferred revenue		11,882			11,882
Total liabilities	44,619	110,972	538,840		694,431
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditures	441,616				441,616
Excess surplus - current year	420,424				420,424
Capital reserve account	240,279				240,279
Capital reserve account - designated for subsequent year's expenditures	55,000				55,000
Capital projects			60,710		60,710
Assigned to:					
Debt service				1	1
Year-end encumbrances	15,293				15,293
Unassigned:					
General fund	58,535				58,535
Special revenue fund		(12,671)			(12,671)
Total fund balances	1,231,147	(12,671)	60,710	1	1,279,187
Total liabilities and fund balances	\$ 1,275,766	\$ 98,301	\$ 599,550	\$ 1	

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 assets is \$6,519,103, and the accumulated depreciation is \$2,492,625.	4,026,478
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	(2,058,460)
Net pension liability adjustment	(906,152)
Net position of Governmental Activities	\$ 2,341,053

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES:					
Local sources:					
Local tax levy	\$ 1,896,618			\$ 191,975	\$ 2,088,593
Interest earned	1,365				1,365
Miscellaneous	35,115				35,115
Total local sources	1,933,098			191,975	2,125,073
State sources	2,519,584	\$ 128,525		115,746	2,763,855
Federal sources		188,275			188,275
Total revenues	<u>4,452,682</u>	<u>316,800</u>		<u>307,721</u>	<u>5,077,203</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular instruction	1,259,160				1,259,160
Special education instruction	332,042	258,645			590,687
Other special instruction	140,766				140,766
School sponsored activities	5,210				5,210
Community service programs	3,521				3,521
Support services:					
Tuition	158,838				158,838
Student & instruction related services	517,742	90,442			608,184
General administration	74,594				74,594
School administrative services	173,162				173,162
Central services	82,981				82,981
Plant operations and maintenance	309,437				309,437
Pupil transportation	136,098				136,098
Employee benefits	1,047,301				1,047,301
Debt service:					
Principal				220,000	220,000
Interest and other charges				87,720	87,720
Capital outlay			\$ 6,350		6,350
Total expenditures	<u>4,240,852</u>	<u>349,087</u>	<u>6,350</u>	<u>307,720</u>	<u>4,904,009</u>
Excess (deficiency) of revenues over expenditures	<u>211,830</u>	<u>(32,287)</u>	<u>(6,350)</u>	<u>1</u>	<u>173,194</u>
Other financing sources (uses):					
Transfers to special revenue fund	(34,098)	34,098			
Transfers for capital projects	(6,350)		6,350		
Total other financing sources (uses)	<u>(40,448)</u>	<u>34,098</u>	<u>6,350</u>		
Net change in fund balances	171,382	1,811		1	173,194
Fund balance - July 1	1,059,765	(14,482)	60,710		1,105,993
Fund balance - June 30	<u>\$ 1,231,147</u>	<u>\$ (12,671)</u>	<u>\$ 60,710</u>	<u>\$ 1</u>	<u>\$ 1,279,187</u>

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2016

Total net change in fund balances - Governmental Funds (from B-2)		\$ 173,194
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <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	\$ (168,840)
	Capital outlays	<u>2,644</u>
		(166,196)
<p>Repayment of debt 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.</p>		220,000
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		(1,897)
<p>Pension contributions are reported in Governmental Funds as expenditures, However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		<u>13,644</u>
Change in net position of Governmental Activities		<u><u>\$ 238,745</u></u>

See accompanying notes to the basic financial statements.

NATIONAL PARK SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Expendable Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 8,288	\$ 48,324
Interfund receivable	1,471	
Total assets	<u>\$ 9,759</u>	<u>\$ 48,324</u>
LIABILITIES		
Payroll deductions and withholdings		\$ 26,311
Payable to student groups		20,542
Interfund payable		1,471
Total liabilities		<u>\$ 48,324</u>
NET POSITION		
Held in trust for unemployment claims	\$ 9,352	
Expendable scholarship fund	407	
Total net position	<u>\$ 9,759</u>	

NATIONAL PARK SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2016

	Unemployment Compensation Trust	Scholarship Fund
ADDITIONS:		
Contributions	\$ 4,253	
Interest earned	10	\$ 1
Total additions	<u>4,263</u>	<u>1</u>
DEDUCTIONS:		
Unemployment claims	1,260	
Scholarships awarded		101
Total deductions	<u>1,260</u>	<u>101</u>
Change in net position	3,003	(100)
Net position - beginning of year	6,349	507
Net position - end of year	<u>\$ 9,352</u>	<u>\$ 407</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The National Park School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education of National Park School District have been prepared in conformity 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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

The National Park School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades PreK-6.

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

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

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

B. Basic Financial Statements – District-Wide Statements

The District's basic financial statements include both District-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds.) Both the District-wide and fund financial statements categorize primary activities as governmental. The District's general, special revenue, capital projects and debt service are classified as Governmental Activities. Fiduciary Funds are excluded from the Government-wide financial statements.

In the District-wide Statement of Net Position the Governmental Activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements – District-Wide Statements (Continued)

The District-wide Statement of Activities reports both the gross and net costs of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating, and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student and instruction related services, etc.). Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does not allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and reimbursed TPAF Social Security Contributions.

The District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education (NJDOE) has elected to require New Jersey Districts to treat each Governmental Fund as a major fund in accordance with the option in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District's Fiduciary Funds are presented in the fiduciary fund financial statement by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the District-wide statements.

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

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

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

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

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

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

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

FIDUCIARY FUNDS

The Fiduciary Fund category is comprised of Trust and Agency Funds. Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore are not available to support District's programs. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Both Governmental Activities in the District-wide financial statements and the Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from federal, state, or other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, are recorded when due.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and, under certain circumstances, require approval by the County Superintendent of Schools. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

G. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury 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.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute (NJSA 18A:20-37) provides a list of permissible investments that may be purchased by New Jersey school districts.

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks), and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

H. Inventories

Inventories are recorded as expenditures during the year of purchase.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Transactions

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. Repayment from funds responsible for particular expenditures/Expenses, to the funds that initially paid for them, are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between Governmental and Agency Funds, which are presented as internal balances.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives;

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
Building & improvements	20-50
Machinery & equipment	7-20

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and underground pipes. Such items are considered to be part of the cost of buildings or other improvable property.

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Government 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 District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreement with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the School District's past experience of making termination payments. Salary-based payments for the employer's share of social security and Medicare taxes are included.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

For the District-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the Governmental Funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

L. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Funds are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both Restricted and Unrestricted Funds are available.

O. Fund Balance

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

Non-spendable - The non-spendable 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.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance (Continued)

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.

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 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers Restricted Funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of Committed Funds, then Assigned Funds, and finally Unassigned Funds, as needed.

P. Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Expenditures

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

R. Allocation of Indirect Expenses

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of Management and are either unusual in nature or infrequent in occurrence.

T. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

U. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued 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." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, is anticipated to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, is anticipated to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77, "Tax Abatement Disclosures." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Recent Accounting Pronouncements Not Yet Effective (Continued)

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, The Governmental Accounting Standards Board (GASB) issued Statement No. 79, "Certain External Investment Pools and Pool Participants." This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements." This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73." This statement is effective for fiscal periods beginning after June 15, 2016. The impact of this statement on the net position of the district is not anticipated to be significant

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA), or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2016 and 2015, was \$659,447 and \$456,076. As of June 30, 2016 and 2015, \$0 of the District's bank balance of \$813,848 and \$573,235, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2016, the District did not have any investments.

Interest Rate Risk - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3: INVESTMENTS (CONTINUED)

Credit Risk - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

NOTE 4: RECEIVABLES

Receivables at June 30, 2016, consisted of Intergovernmental and other receivables. All receivables are considered collectible in full. A summary of the principal items of the receivables are as follows:

	Governmental Activities
State aid	\$ 645,031
Federal aid	92,434
Other	6,443
	<u>\$ 743,908</u>

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2016, the District had no interfund receivables or payables.

NOTE 6: CAPITAL ASSETS

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

	Balance July 1, 2015	Additions	Disposals	Balance June 30, 2016
Governmental activities:				
Sites & site improvements	\$ 123,043			\$ 123,043
Building & building improvements	6,095,022			6,095,022
Machinery & equipment	298,394	\$ 2,644		301,038
Totals at historical cost	<u>6,516,459</u>	<u>2,644</u>		<u>6,519,103</u>
Less: accumulated depreciation for:				
Site improvements	77,422	6,152		83,574
Building & building improvements	1,986,087	158,435		2,144,522
Machinery & equipment	260,276	4,253		264,529
Total accumulated depreciation	<u>2,323,785</u>	<u>168,840</u>		<u>2,492,625</u>
Governmental activities capital assets, net	<u>\$ 4,192,674</u>	<u>\$ (166,196)</u>	<u>None</u>	<u>\$ 4,026,478</u>

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

NOTE 7: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are General Obligation Bonds.

Permanently funded debt as of June 30, 2016, consisted of the following:

\$2,950,000 General Obligation Refunding Bonds dated December 10, 2009, payable in annual installments through February 1, 2025. Interest is paid semi-annually at the rates of 3.125% to 4.5% per annum. The balance remaining at June 30, 2016, was \$1,775,000.

\$361,450 Private Placement Bonds dated March 8, 2011, payable in annual installments through September 1, 2020. Interest is paid semi-annually at the rate of 4% per annum. The balance remaining at June 30, 2016, was \$206,450.

Long-Term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
Bonds payable	\$ 2,201,450		\$ 220,000	\$ 1,981,450	\$ 225,000
Compensated absences	75,113	\$ 9,971	8,074	77,010	
	<u>\$ 2,276,563</u>	<u>\$ 9,971</u>	<u>\$ 228,074</u>	<u>\$ 2,058,460</u>	<u>\$ 225,000</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2017	\$ 225,000	\$ 78,821	\$ 303,821
2018	230,000	69,821	299,821
2019	235,000	62,283	297,283
2020	245,000	52,783	297,783
2021	246,450	42,054	288,504
2022-2025	800,000	81,000	881,000
	<u>\$ 1,981,450</u>	<u>\$ 386,762</u>	<u>\$ 2,368,212</u>

Bonds Authorized but Not Issued

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

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2016, it is not necessary for the Board to establish a liability for arbitrage rebate.

NOTE 8: PENSION FUNDS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, (PERS) or the Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans, which have been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability, and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8: PENSION FUNDS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued) - mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective with the first payroll to be paid on or after October 1, 2011, the employee contributions for TPAF and PERS increased from 5.5% of employee's annual compensation, as defined, to 6.5%. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The current TPAF and PERS rate is 7.06% of covered payroll. The District's contributions to PERS for the years ending June 30, 2016, 2015, and 2014, were \$39,505, \$36,776, and \$38,179, respectively, equal to the required contributions for each year.

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$311,374 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the District \$127,995 during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

The District's total payroll for the years ended June 30, 2016, 2015, and 2014, were \$2,439,938, \$2,446,179, and \$2,305,167, respectively. Covered payroll was \$326,949, \$323,359, and \$336,141 for PERS and \$1,830,930, \$1,830,504, and \$1,767,138 for TPAF, for the same years.

For the year ended June 30, 2016, The District recognized pension expense of \$25,862. At June 30, 2016, the 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	\$ 24,608	
Changes of assumptions	105,946	
Net difference between projected and actual earning on pension plan investments		\$ 4,140
Changes in proportion and differences between District contributions and proportionate share of contributions		40,577
Employer contributions subsequent to the measurement date	39,505	
	<u>\$ 170,059</u>	<u>\$ 44,717</u>

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8: PENSION FUNDS (CONTINUED)

\$39,505 reported as deferred outflows of resources related to pensions resulting from school district project contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2017	\$ 14,138
2018	14,139
2019	14,139
2020	26,581
2021	16,840
	<u>\$ 85,837</u>

Additional Information – Collective balances at June 30, 2014 and 2015, are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$ 952,194,675	\$ 3,578,755,666
Collective deferred inflows of resources	1,479,224,662	993,410,455
Collective net pension liability	<u>18,722,735,003</u>	<u>22,447,996,119</u>
District's proportion	0.0044610193%	0.0045950376%

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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. The State Treasurer has the right, under the current law, to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts 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. The School District's contributions for the years ending June 30, 2016, 2015, and 2014, were \$6,447, \$6,160, and \$2,953 for covered employees.

NOTE 9: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)

on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 10: DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by the entity 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 administrator is as follows:

Lincoln Investment Planning, Inc.

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and negotiated agreements with the various employee unions.

The liability for vested compensated absences is recorded in the District-wide *Statement of Net Position*. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

NOTE 12: LABOR CONTRACTS

As of June 30, 2016, the District has a total of approximately 114 employees. Of this total, approximately 31 employees are represented by the National Park Education Association whose union agreement expires on June 30, 2017.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13: RISK MANAGEMENT

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, student accidents, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. Any potential liability of the District, with respect to loss claims, would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have been no significant reductions in insurance coverage amounts.

New Jersey Unemployment Compensation Insurance:

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

Year Ended June 30,	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2016	None	\$ 4,253	\$ 1,260	\$ 9,352
2015	None	4,374	1,141	6,349
2014	None	3,942	2,579	3,112

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the National Park Board of Education by inclusion of \$63,663 in the original 2000-2001 annual capital outlay budget, for the accumulation of funds, for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget, certified for taxes or by transfer by board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 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.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

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	\$ 261,627
Interest earnings	2
Deposits approved by resolution	40,000
Withdrawals:	
Amount budgeted	(85,000)
Unexpended funds returned	<u>78,650</u>
Ending balance - June 30, 2016	<u>\$ 295,279</u>

The June 30, 2016, LRF balance of local support costs of uncompleted capital projects at June 30, 2016, is \$297,858. Of the \$295,279 balance at year end, \$55,000 was designated for use in the 2016-2017 budget. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 15: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the general fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Restricted

General Fund – In accordance with NJSA 18A:7F-7, \$862,040 is restricted as excess surplus (\$441,616 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2017).

Capital Projects Fund – The Capital Projects Fund balance as of June 30, 2016 was \$60,710.

Assigned

General Fund – As of June 30, 2016, the District had \$15,293 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Debt Service Fund – The Debt Service Fund balance as of June 30, 2016 was \$1.

Unassigned

General Fund – As of June 30, 2016, a balance of \$58,535 of fund balance was unassigned.

Special Revenue Fund – As of June 30, 2016, the fund balance was a deficit of \$12,671.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant to NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016, is \$862,080.

NOTE 17: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$12,671 in the Special Revenue Fund as of June 30, 2016, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other Government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the School District cannot recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2, any negative unassigned general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District did not have a deficit in the GAAP statements in the General Fund.

NOTE 18: CONTINGENT LIABILITIES

The District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the National Park School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 19: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District's operations. State sources accounted for approximately 57% of the District's 2015-2016 General Fund revenue, while local tax levy accounted for approximately 43%.

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2016 and October 12, 2016, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

NATIONAL PARK SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,896,618		\$ 1,896,618	\$ 1,896,618	
Tuition from other LEA's within the state	4,000		4,000		\$ (4,000)
Interest earned on capital reserve funds	2		2	1	(1)
Interest of investments	1,325		1,325	1,364	39
Other restricted miscellaneous revenue	2,750		2,750	2,325	(425)
Miscellaneous	4,000		4,000	32,790	28,790
Total - local sources	<u>1,908,695</u>		<u>1,908,695</u>	<u>1,933,098</u>	<u>24,403</u>
State sources:					
Categorical transportation aid	6,376		6,376	6,376	
Extraordinary aid				8,786	8,786
Categorical special education aid	148,644		148,644	148,644	
Equalization aid	1,904,909		1,904,909	1,904,909	
Categorical security aid	13,325		13,325	13,325	
PARCC readiness aid	2,300		2,300	2,300	
Per pupil growth aid	2,300		2,300	2,300	
Non-public school transportation reimbursement				1,044	1,044
TPAF post retirement medical (on-behalf - non-budgeted)				169,241	169,241
TPAF pensions contributions (on-behalf - non-budgeted)				142,133	142,133
Reimbursed TPAF social security contributions (Non-budgeted)				127,995	127,995
Total - state sources	<u>2,077,854</u>		<u>2,077,854</u>	<u>2,527,053</u>	<u>449,199</u>
Total revenues	<u>\$ 3,986,549</u>		<u>\$ 3,986,549</u>	<u>\$ 4,460,151</u>	<u>\$ 473,602</u>

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	\$ 131,662		\$ 131,662	\$ 130,133	\$ 1,529
Grades 1-5 - salaries of teachers	835,697	\$ (9,419)	826,278	811,919	14,359
Grades 6-8 - salaries of teachers	201,565		201,565	190,331	11,234
Regular programs - home instruction:					
Salaries of teachers	1,000		1,000		1,000
Purchased professional - educational services	3,000		3,000	2,010	990
Regular programs - undistributed instruction:					
Other salaries for instruction	27,445	6,100	33,545	30,862	2,683
Purchased professional - educational services	5,400		5,400	4,188	1,212
Purchased technical services	7,100	(888)	6,212	3,441	2,771
Other purchased services	7,615	888	8,503	7,998	505
General supplies	90,469	(2,888)	87,581	76,806	10,775
Other objects	1,000	498	1,498	1,472	26
Total regular programs - instruction	<u>1,311,953</u>	<u>(5,709)</u>	<u>1,306,244</u>	<u>1,259,160</u>	<u>47,084</u>
Special education instruction:					
Resource room/resource center:					
Salaries of teachers	281,480	10,990	292,470	288,346	4,124
Other salaries for instruction	42,503	(1,890)	40,613	40,587	26
General supplies	3,500	(127)	3,373	3,109	264
Total resource room/resource center	<u>327,483</u>	<u>8,973</u>	<u>336,456</u>	<u>332,042</u>	<u>4,414</u>
Total special education - instruction	<u>327,483</u>	<u>8,973</u>	<u>336,456</u>	<u>332,042</u>	<u>4,414</u>

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool disabilities - part time:					
Salaries of teachers	30,789	570	31,359	30,216	1,143
Other salaries for instruction	8,243	11,100	19,343	19,203	140
General supplies	700	205	905	902	3
Total preschool disabilities - part-time	39,732	11,875	51,607	50,321	1,286
Home instruction:					
Salaries of teachers	1,000	2,790	3,790	3,790	
Purchased professional - educational services	3,000	(2,625)	375	360	15
Total home instruction	4,000	165	4,165	4,150	15
Basic skills/remedial instruction:					
Salaries of teachers	105,505	(18,505)	87,000	85,025	1,975
General supplies	1,425	(78)	1,347	1,270	77
Total basic skills/remedial instruction	106,930	(18,583)	88,347	86,295	2,052
School-spon. cocurricular actvts. - instruction:					
Salaries	8,780		8,780	4,738	4,042
Purchased services	500		500	350	150
General supplies	150		150		150
Other objects	150		150	122	28
Total school-spon. cocurricular actvts. - instruction	9,580		9,580	5,210	4,370
Community services programs/operations:					
Salaries	4,900		4,900	3,521	1,379
Total community services programs/operations	4,900		4,900	3,521	1,379
Total instructions	1,804,578	(3,279)	1,801,299	1,740,699	60,600

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular	19,800		19,800	12,389	7,411
Tuition to other LEA's within the state - special	81,650	(8,100)	73,550	24,920	48,630
Tuition to CSSD & regional day schools	113,280	8,100	121,380	121,360	20
Tuition to private school for the disabled within the state		202	202	169	33
Tuition Other	1,500	(202)	1,298		1,298
Total undistributed expenditures - instruction	216,230		216,230	158,838	57,392
Undistributed expenditures - attendance & social work:					
Salaries	4,800		4,800	4,600	200
Purchased technical services	1,200		1,200	1,035	165
Total undistributed expenditures - attendance & social work	6,000		6,000	5,635	365
Undistributed expenditures - health services:					
Salaries	70,778	423	71,201	71,201	
Purchased professional - educational services	3,500	(346)	3,154	2,896	258
Supplies and materials	2,300	346	2,646	2,473	173
Other objects	200		200		200
Total undistributed expenditures - health services	76,778	423	77,201	76,570	631
Undistributed expend. - speech, OT, PT & related services:					
Salaries	98,868	(30,740)	68,128	66,953	1,175
Purchased professional - educational services	10,150	39,697	49,847	44,368	5,479
Supplies and materials	885		885	724	161
Total undistributed expend. - speech, OT, PT & related services	109,903	8,957	118,860	112,045	6,815
Undistributed expend. - other supp. serv. students - extra. serv.:					
Salaries	39,555	889	40,444	38,994	1,450
Supplies and materials	250		250		250
Total undistributed expend. - other supp. serv. students - extra. serv.	39,805	889	40,694	38,994	1,700

NATIONAL PARK SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - guidance:					
Salaries of other professional staff	48,784	(423)	48,361	33,590	14,771
Purchased professional - educational services	1,885		1,885	1,389	496
Other purchased professional and technical services	4,900		4,900	3,264	1,636
Supplies and materials	2,600		2,600	489	2,111
Total undistributed expenditures - guidance	58,169	(423)	57,746	38,732	19,014
Undistributed expenditures - child study team:					
Salaries of other professional staff	1,250		1,250	495	755
Purchased professional - educational services	91,556	1	91,557	91,556	1
Other purchased professional and technical services	31,300	(8,958)	22,342	17,857	4,485
Total undistributed expenditures - child study team	124,106	(8,957)	115,149	109,908	5,241
Undistributed expenditures - improvement of inst. services:					
Salaries of other professional staff	2,500		2,500	2,500	
Other salaries	5,000		5,000	60	4,940
Purchased professional - educational services	32,696		32,696	32,280	416
Other purchased professional and technical services	4,000	(816)	3,184	1,110	2,074
Supplies and materials	500		500		500
Other objects	1,250		1,250	400	850
Total undistributed expenditures - improvement of inst. services	45,946	(816)	45,130	36,350	8,780

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	30,387		30,387	29,812	575
Salaries of technology coordinators	60,827		60,827	60,827	
Purchased professional - technical services	1,500		1,500	236	1,264
Supplies and materials	3,150		3,150	2,317	833
Total undistributed expenditures - edu. media serv./sch. library	95,864		95,864	93,192	2,672
Undistributed expenditures - instructional staff training					
Other purchased services	5,500	816	6,316	6,316	
Total undistributed expenditures - instructional staff training	5,500	816	6,316	6,316	
Undistributed expend. - supp. serv. - general administration:					
Salaries	2,300		2,300	2,300	
Legal services	2,750		2,750	357	2,393
Audit fees	13,000		13,000	11,300	1,700
Architectural/engineering services	5,300		5,300		5,300
Other purchased professional services	35,000		35,000	33,500	1,500
Purchased technical services	6,500		6,500	4,329	2,171
Communications/telephone	7,500		7,500	5,846	1,654
BOE - other purchased services	250		250		250
Miscellaneous purchased services	18,575		18,575	14,100	4,475
General supplies	1,000		1,000		1,000
Miscellaneous expenditures	1,000		1,000	134	866
BOE membership dues and fees	3,000		3,000	2,728	272
Total undistributed expend. - supp. serv. - general administration	96,175		96,175	74,594	21,581

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - supp. serv. - school administration:					
Salaries of principals/assistant principals	107,333		107,333	107,000	333
Salaries of secretarial and clerical assistants	56,499	(162)	56,337	55,212	1,125
Purchased professional and technical services	4,716		4,716	4,416	300
Other purchased services	2,550		2,550	2,249	301
Supplies and materials	3,250	215	3,465	3,465	
Other objects	1,000	(53)	947	820	127
Total undistributed expend. - supp. serv. - school administration	175,348		175,348	173,162	2,186
Undistributed expend. - central services:					
Purchased professional services	72,100		72,100	71,900	200
Purchased technical services	12,750		12,750	10,825	1,925
Supplies and materials	775		775	191	584
Miscellaneous expenditures	675		675	65	610
Total undistributed expend. - central services	86,300		86,300	82,981	3,319
Undistributed expend. - required maintenance for school facilities:					
Salaries	65,755		65,755	65,500	255
Cleaning, repair, and maintenance services	28,000	(975)	27,025	20,663	6,362
General supplies	8,000	6,975	14,975	14,795	180
Total undistributed expend. - required maintenance for school facilities	101,755	6,000	107,755	100,958	6,797

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - custodial services:					
Salaries	53,731		53,731	51,854	1,877
Salaries of non-instructional aides	27,071		27,071	26,143	928
Purchased professional and technical services	7,500		7,500	1,272	6,228
Cleaning, repair and maintenance services	13,500		13,500	8,440	5,060
Other purchased property services	10,500		10,500	9,060	1,440
Insurance	8,550		8,550	8,109	441
Miscellaneous purchased services	450		450	407	43
General supplies	36,388	(6,255)	30,133	18,390	11,743
Energy (heat and electricity)	116,500		116,500	83,882	32,618
Other objects	1,000		1,000	667	333
Total undistributed expend. - custodial services	<u>275,190</u>	<u>(6,255)</u>	<u>268,935</u>	<u>208,224</u>	<u>60,711</u>
Undistributed expend. - security:					
General supplies		255	255	255	
Total undistributed expend. - oper. & maint. of plant services	<u>376,945</u>		<u>376,945</u>	<u>309,437</u>	<u>67,508</u>
Undistributed expend. - student transportation services:					
Management fee - ESC transportation program	25		25	17	8
Contract services - aid in lieu of payments	7,072		7,072	6,630	442
Contract transportation - other vendors	6,500		6,500	5,349	1,151
Contract transportation - joint agreement	2,500	(850)	1,650		1,650
Contract transportation - joint agreement - special	102,500	(14,000)	88,500	88,267	233
Contract services - spec. ESC/CTSA	21,000	14,850	35,850	35,835	15
Total undistributed expend. - student transportation services:	<u>139,597</u>		<u>139,597</u>	<u>136,098</u>	<u>3,499</u>

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated benefits - employee benefits:					
Group insurance	875		875	751	124
Social security contributions	45,750		45,750	45,533	217
Other retirement contributions - PERS	50,000		50,000	49,952	4,048
Unemployment compensation	18,000		18,000		18,000
Workmen's compensation	17,750		17,750	17,001	749
Health benefits	617,657		617,657	493,192	124,465
Tuition reimbursement	5,000		5,000	3,990	1,010
Other employee benefits	1,675		1,675	1,513	162
Unused sick payments	7,500		7,500		7,500
Total unallocated benefits - employee benefits	<u>764,207</u>		<u>764,207</u>	<u>607,932</u>	<u>156,275</u>
On-behalf contributions:					
On-behalf TPAF pensions contributions (non-budgeted)				142,133	(142,133)
On-behalf TPAF OPEB (post retirement medical) contributions (non-budgeted)				169,241	(169,241)
Reimbursed TPAF social security contributions (non-budgeted)				127,995	(127,995)
Total on-behalf contributions				<u>439,369</u>	<u>(439,369)</u>
Total personal services - employee benefits	<u>764,207</u>		<u>764,207</u>	<u>1,047,301</u>	<u>(283,094)</u>
Total undistributed expenditures	<u>2,416,873</u>	889	<u>2,417,762</u>	<u>2,500,153</u>	<u>(82,391)</u>
Total general current expense	<u>4,221,451</u>	<u>(2,390)</u>	<u>4,219,061</u>	<u>4,240,852</u>	<u>(21,791)</u>

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Interest deposit to capital reserve	2		2		2
Equipment:					
Undistributed expend. - health services		2,390	2,390		2,390
Total equipment		2,390	2,390		2,390
Facilities acquisitions and construction services:					
Construction services	17,500		17,500		17,500
Total capital outlay	17,502	2,390	19,892		19,892
Total expenditures	4,238,953		4,238,953	4,240,852	(1,899)
Excess (deficiency) of revenues over (under) expenditures	(252,404)		(252,404)	219,299	475,501
Other financing sources:					
Operating transfer out:					
Transfer to special revenue fund	(37,891)		(37,891)	(34,098)	(3,793)
Capital reserve - transfer for capital projects	(85,000)		(85,000)	(6,350)	(78,650)

NATIONAL PARK SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(375,295)		(375,295)	178,851	393,058
Fund balance, July 1	1,253,591		1,253,591	1,253,591	
Fund balance, June 30	<u>\$ 878,296</u>		<u>\$ 878,296</u>	<u>\$ 1,432,442</u>	<u>\$ 393,058</u>
Recapitulation:					
Restricted Fund Balance:					
Excess surplus designated for subsequent year's expenditures				\$ 441,616	
Excess surplus current year				420,424	
Capital reserve fund				240,279	
Capital reserve fund designated for subsequent year's expenditure				55,000	
Assigned Fund Balance:					
Year-end encumbrances				15,293	
Unassigned Fund Balance				<u>259,830</u>	
				1,432,442	
Reconciliation to governmental fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(201,295)	
Fund balance per Governmental Funds (GAAP)				<u>\$ 1,231,147</u>	

NATIONAL PARK SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 126,714		\$ 126,714	\$ 126,714	
Federal sources	200,061		200,061	188,275	\$ (11,786)
Total revenues	\$ 326,775		\$ 326,775	\$ 314,989	\$ (11,786)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 150,911	\$ (68)	\$ 150,843	\$ 145,884	\$ 4,959
Other salaries for instruction	26,486		26,486	26,421	65
Tuition	80,080	1,500	81,580	81,580	
Other purchased services	2,556		2,556	1,030	1,526
General supplies	5,213	(1,688)	3,525	2,874	651
Other objects	950		950	856	94
Total instruction	266,196	(256)	265,940	258,645	7,295
Support services:					
Salaries	6,160	(1,020)	5,140	4,560	580
Personal services - employee benefits	69,113	1,287	70,400	68,766	1,634
Purchased professional - technical services	6,761	(11)	6,750	3,360	3,390
Purchased professional - educational services	12,830		12,830	12,017	813
Other purchased services	1,791		1,791	979	812
Supplies and materials	1,815		1,815	760	1,055
Total support services	98,470	256	98,726	90,442	8,284
Total expenditures	364,666		364,666	349,087	15,579
Other financing sources:					
Transfer in from general fund	(37,891)		(37,891)	(34,098)	(3,793)
Total outflows	\$ 326,775		\$ 326,775	\$ 314,989	\$ 11,786

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

NATIONAL PARK SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2016

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 4,460,151	\$ 314,989
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP purposes in the current year, previously recognized for budgetary purposes.	193,826	14,482
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(201,295)	(12,671)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 4,452,682	\$ 316,800
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 4,240,852	\$ 314,989
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds	\$ 4,240,852	\$ 314,989

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

NATIONAL PARK SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Two Fiscal Years

	Fiscal Year Ended	
	June 30, 2015	June 30, 2016
District's proportion of the net pension liability (asset)	0.0044610193%	0.0045950376%
District's proportionate share of the net pension liability (asset)	\$ 835,225	\$ 1,031,494
District's covered-employee payroll	328,175	324,787
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.51%	317.59%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%
Measurement date	June 30, 2014	June 30, 2015

NATIONAL PARK SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Two Fiscal Years

	<u>Fiscal Year Ended</u>	
	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 36,776	\$ 39,505
Contributions in relation to the contractually required contribution	<u>36,776</u>	<u>39,505</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 328,175	\$ 324,787
Contributions as a percentage of covered-employee payroll	11.21%	12.16%
Measurement date	June 30, 2014	June 30, 2015

NATIONAL PARK SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Two Fiscal Years

	Fiscal Year Ended	
	June 30, 2015	June 30, 2016
District's proportion of the net pension liability (asset)	0.0172994261%	0.0173624945%
District's proportionate share of the net pension liability (asset)	\$ 9,245,980	\$ 10,973,838
District's covered-employee payroll	1,728,211	1,830,930
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	535.00%	599.36%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%
Measurement date	June 30, 2014	June 30, 2015

The data in the above schedule represents the allocation of the State of New Jersey's obligation *on behalf* of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2015, measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The actuarial valuation used the following actuarial assumptions:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment rate of return	7.90%

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 form members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/employer-home.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Total Brought Forward (Exhibit E-1a)	Title I	Title II Part A	Total 2016
REVENUES:				
Federal sources	\$ 95,396	\$ 81,928	\$ 10,951	\$ 188,275
State sources	126,714			126,714
Total revenues	\$ 222,110	\$ 81,928	\$ 10,951	\$ 314,989
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 76,449	\$ 67,845	\$ 1,590	\$ 145,884
Other salaries of instruction	26,421			26,421
Tuition	81,580			81,580
Other purchased services	1,030			1,030
General supplies	2,234	640		2,874
Other objects	856			856
Total instruction	188,570	68,485	1,590	258,645
Support services:				
Salaries			4,560	4,560
Personal services - employees benefits	54,852	13,443	471	68,766
Purchased professional - technical services			3,360	3,360
Purchased professional - educational services	12,017			12,017
Other purchased services	217		762	979
Supplies and materials	552		208	760
Total support services	67,638	13,443	9,361	90,442
Total expenditures	256,208	81,928	10,951	349,087
Other financing sources:				
Transfer in from general fund	(34,098)			(34,098)
Total outflows	\$ 222,110	\$ 81,928	\$ 10,951	\$ 314,989

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

	Total Brought Forward (Exhibit E-1b)	IDEA Basic	IDEA Preschool	Total Carried Forward
REVENUES:				
Federal sources	\$ 1,799	\$ 90,540	\$ 3,057	\$ 95,396
State sources	126,714			126,714
Total revenues	<u>\$ 128,513</u>	<u>\$ 90,540</u>	<u>\$ 3,057</u>	<u>\$ 222,110</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 76,449			\$ 76,449
Other salaries of instruction	26,421			26,421
Tuition		\$ 78,523	\$ 3,057	81,580
Other purchased services	1,030			1,030
General supplies	2,234			2,234
Other objects	856			856
Total Instruction	<u>106,990</u>	<u>78,523</u>	<u>3,057</u>	<u>188,570</u>
Support Services:				
Personal services - employees benefits	54,852			54,852
Other purchased professional - educational services		12,017		12,017
Other purchased services	217			217
Supplies and materials	552			552
Total support services	<u>55,621</u>	<u>12,017</u>		<u>67,638</u>
Total expenditures	162,611	90,540	3,057	256,208
Other financing sources:				
Transfer in from general fund	(34,098)			(34,098)
Total outflows	<u>\$ 128,513</u>	<u>\$ 90,540</u>	<u>\$ 3,057</u>	<u>\$ 222,110</u>

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

	<u>Preschool Education (Exhibit E-2)</u>	<u>Ed. Connect Comm.</u>	<u>Race to the Top</u>	<u>Total Carried Forward</u>
REVENUES:				
Federal sources		\$ 1,030	\$ 769	\$ 1,799
State sources	\$ 126,714			126,714
Total revenues	<u>\$ 126,714</u>	<u>\$ 1,030</u>	<u>\$ 769</u>	<u>\$ 128,513</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 76,449			\$ 76,449
Other salaries of instruction	26,421			26,421
Other purchased services		\$ 1,030		1,030
General supplies	2,234			2,234
Other objects	856			856
Total instruction	<u>105,960</u>	<u>1,030</u>		<u>106,990</u>
Support services:				
Personal services - employees benefits	54,852			54,852
Other purchased services			\$ 217	217
Supplies and materials			552	552
Total support services	<u>54,852</u>		<u>769</u>	<u>55,621</u>
Total expenditures	160,812	1,030	769	162,611
Other financing sources:				
Transfer in from general fund	(34,098)			(34,098)
Total outflows	<u>\$ 126,714</u>	<u>\$ 1,030</u>	<u>\$ 769</u>	<u>\$ 128,513</u>

NATIONAL PARK SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid Schedule(s) of Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 78,084	\$ 76,449	\$ 1,635
Other salaries of instruction	26,486	26,421	65
General supplies	2,885	2,234	651
Other objects	950	856	94
Total instruction	<u>108,405</u>	<u>105,960</u>	<u>2,445</u>
Support services:			
Personal services - employee benefits	56,200	54,852	1,348
Total support services	<u>56,200</u>	<u>54,852</u>	<u>1,348</u>
Total expenditures	<u>\$ 164,605</u>	<u>\$ 160,812</u>	<u>\$ 3,793</u>

CALCULATION OF BUDGET AND CARRYOVER

Total revised 2015-16 Preschool Education Aid Allocation	\$ 126,714
Add: Budgeted Transfer from the General Fund 2015-16	34,098
Total Preschool Education Aid Funds Available for 2015-16 Budget	<u>160,812</u>
Less: 2015-16 Budgeted Preschool Education Aid	(164,605)
Add: June 30, 2016 Unexpended Preschool Education Aid	3,793
2015-16 Carryover - Preschool Education Aid	<u>None</u>

CAPITAL PROJECTS FUND

NATIONAL PARK SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2016

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roof repairs to elementary school	12/14/2010	\$ 961,000	\$ 900,290		\$ 60,710

NATIONAL PARK SCHOOL DISTRICT
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budgetary Basis
For the Year Ended June 30, 2016

Revenues and other financing sources:

Capital reserve - transfer for capital projects	\$ 6,350
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Expenditures and other financing uses:

Operation and maintenance of plant	6,350
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Excess (deficiency) of revenues over (under) expenditures

Fund balance - beginning	60,710
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Fund balance - ending	<u>\$ 60,710</u>
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NATIONAL PARK SCHOOL DISTRICT
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Roof Replacement to Elementary School
 From Inception and for the Year Ended June 30, 2016

	Prior Periods	Current Period	Totals	Revised Authorized Costs
Revenues and other financing sources:				
State sources - SDA grant	\$ 599,550		\$ 599,550	\$ 599,550
Bond proceeds and transfers	361,450		361,450	361,450
Total revenues	<u>961,000</u>		<u>961,000</u>	<u>961,000</u>
Expenditures and other financing uses:				
Legal services	14,163		14,163	14,163
Audit fees	605		605	1,000
Architect/engineer services	74,660		74,660	79,375
Other professional services	61,438		61,438	57,563
Purchased technical services	750		750	1,305
Construction services	743,200		743,200	801,900
Miscellaneous purchased services	5,280		5,280	5,500
Miscellaneous expenses	194		194	194
Total expenditures	<u>900,290</u>		<u>900,290</u>	<u>961,000</u>
Excess (deficiency) of revenues over (under) expenses	<u>\$ 60,710</u>		<u>\$ 60,710</u>	
Additional project information:				
Project number		3490-050-10-1001		
Grant date/letter of notification		7/23/2010		
Bond authorization/referendum date		12/14/2010		
Bonds authorized	\$ 361,450			
Bonds issued	361,450			
Original project authorized cost	961,000			
Percentage completion	87%			
Original target completion date		8/28/2011		
Revised target completion date		12/31/2016		

FIDUCIARY FUNDS

NATIONAL PARK SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Trust		Agency		Total 2016
	Unemployment Compensation Trust	Scholarship Fund	Student Activities	Payroll	
ASSETS					
Cash and cash equivalents	\$ 7,881	\$ 407	\$ 20,542	\$ 27,782	\$ 56,612
Interfund receivable	1,471				1,471
Total assets	<u>\$ 9,352</u>	<u>\$ 407</u>	<u>\$ 20,542</u>	<u>\$ 27,782</u>	<u>58,083</u>
LIABILITIES					
Payroll deductions and withholdings				\$ 26,311	26,311
Due to student groups			\$ 20,542		20,542
Interfund payable				1,471	1,471
Total liabilities			<u>\$ 20,542</u>	<u>\$ 27,782</u>	<u>48,324</u>
NET POSITION					
Held in trust for unemployment Claims	\$ 9,352				9,352
Expendable scholarship fund		\$ 407			407
Total net position	<u>\$ 9,352</u>	<u>\$ 407</u>			<u>\$ 9,759</u>

NATIONAL PARK SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust	Scholarship Fund	Total 2016
ADDITIONS:			
Contributions	\$ 4,253		\$ 4,253
Interest earned	10	\$ 1	11
Total additions	4,263	1	4,264
DEDUCTIONS:			
Unemployment claims	1,260		1,260
Scholarships awarded		101	101
Total deductions	1,260	101	1,361
Change in net position	3,003	(100)	2,903
Net position - beginning	6,349	507	6,856
Net position - end	<u>\$ 9,352</u>	<u>\$ 407</u>	<u>\$ 9,759</u>

NATIONAL PARK SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
SCHOOLS:				
National Park School	\$ 22,960	\$ 42,481	\$ 44,899	\$ 20,542

NATIONAL PARK SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
ASSETS				
Cash and cash equivalents	\$ 27,924	\$ 2,663,634	\$ 2,663,776	\$ 27,782
Total assets	<u>\$ 27,924</u>	<u>\$ 2,663,634</u>	<u>\$ 2,663,776</u>	<u>\$ 27,782</u>
LIABILITIES				
Accrued salaries and wages		\$ 1,436,072	\$ 1,436,072	
Payroll deductions and withholdings	\$ 26,434	1,223,257	1,223,380	\$ 26,311
Interfund payable	1,490	4,305	4,324	1,471
Total liabilities	<u>\$ 27,924</u>	<u>\$ 2,663,634</u>	<u>\$ 2,663,776</u>	<u>\$ 27,782</u>

LONG-TERM DEBT

NATIONAL PARK SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2016

Issue	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance June 30, 2015	Paid	Balance June 30, 2016
			Date	Amount				
Refunding Bonds Series 2009	12/10/2009	\$ 2,950,000	2/1/17	\$ 185,000	4.00%			
			2/1/18	190,000	3.125%			
			2/1/19	195,000	4.00%			
			2/1/20	200,000	4.50%			
			2/1/21	205,000	4.50%			
			2/1/22	195,000	4.00%			
			2/1/23	195,000	4.00%			
			2/1/24	200,000	4.00%			
			2/1/25	210,000	4.00%			
School Bonds of 2011	3/8/11	361,450	9/1/16	40,000	4.00%			
			9/1/17	40,000	4.00%			
			9/1/18	40,000	4.00%			
			9/1/19	45,000	4.00%			
			9/1/20	41,450	4.00%			
					<u>\$ 2,201,450</u>	<u>\$ 220,000</u>	<u>\$ 1,981,450</u>	

NATIONAL PARK SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 191,975		\$ 191,975	\$ 191,975	
State sources:					
Debt service aid type II	115,746		115,746	115,746	
Total revenues	<u>307,721</u>		<u>307,721</u>	<u>307,721</u>	
EXPENDITURES:					
Regular debt service:					
Interest	87,721		87,721	87,720	\$ 1
Redemption of principal	220,000		220,000	220,000	
Total expenditures	<u>307,721</u>		<u>307,721</u>	<u>307,720</u>	<u>1</u>
Fund balance June 30				<u><u>\$ 1</u></u>	<u><u>\$ (1)</u></u>

**STATISTICAL SECTION
(Unaudited)**

**NATIONAL PARK SCHOOL DISTRICT
Statistical Section**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	94-98
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	99-102
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	103-106
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	107-108
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	109-113

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting District-wide information include information beginning in that year.

NATIONAL PARK SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Invested in capital assets, net of related debt	\$ 579,182	\$ 651,511	\$ 749,838	\$ 815,294	\$ 703,620	\$ 1,476,033	\$ 1,635,653	\$ 1,778,049	\$ 1,991,224	\$ 2,045,028
Restricted	90,017	55,380	38,260	151,321	1,246,569	956,068	1,086,419	1,006,954	1,054,248	1,233,323
Unrestricted	67,393	114,650	3,276	55,743	(14,584)	(15,618)	(34,768)	(34,371)	(943,164)	(937,298)
Total governmental activities net position	<u>\$ 736,592</u>	<u>\$ 821,541</u>	<u>\$ 791,374</u>	<u>\$ 1,022,358</u>	<u>\$ 1,935,605</u>	<u>\$ 2,416,483</u>	<u>\$ 2,687,304</u>	<u>\$ 2,750,632</u>	<u>\$ 2,102,308</u>	<u>\$ 2,341,053</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 579,182	\$ 651,511	\$ 749,838	\$ 815,294	\$ 703,620	\$ 1,476,033	\$ 1,635,653	\$ 1,778,049	\$ 1,991,224	\$ 2,045,028
Restricted	90,017	55,380	38,260	151,321	1,246,569	956,068	1,086,419	1,006,954	1,054,248	1,233,323
Unrestricted	67,393	114,650	3,276	55,743	(14,584)	(15,618)	(34,768)	(34,371)	(943,164)	(937,298)
Total district-wide net position	<u>\$ 736,592</u>	<u>\$ 821,541</u>	<u>\$ 791,374</u>	<u>\$ 1,022,358</u>	<u>\$ 1,935,605</u>	<u>\$ 2,416,483</u>	<u>\$ 2,687,304</u>	<u>\$ 2,750,632</u>	<u>\$ 2,102,308</u>	<u>\$ 2,341,053</u>

Source: District records

NATIONAL PARK SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,008,924	\$ 1,138,164	\$ 1,281,326	\$ 1,260,383	\$ 1,463,469	\$ 1,212,338	\$ 1,266,166	\$ 1,283,583	\$ 1,264,083	\$ 1,259,160
Special education	754,752	608,703	501,368	540,830	308,617	545,516	565,202	591,396	634,332	590,687
Other special instruction	38,851	31,546	72,592	57,092			69,692	81,069	122,941	140,766
Other instruction	11,142	11,499	7,443	8,805	57,858	49,820	8,034	8,806	8,909	8,731
Support services:										
Tuition	194,382	187,648	130,748	95,580	42,609	56,693	117,424	243,078	205,439	158,838
Student & instructional related services	513,346	548,629	622,309	636,214	549,456	565,067	626,315	684,181	609,503	607,437
School administration services	75,303	75,489	64,888	117,238	334,174	326,082	162,666	161,505	166,925	173,162
General & business administrative services	230,567	224,469	225,173	169,958			154,610	176,081	163,937	157,575
Plant operations & maintenance	318,186	320,400	340,906	350,829	311,130	313,755	291,098	328,120	306,398	309,437
Pupil transportation	92,489	102,487	102,197	70,370	68,508	98,698	94,701	127,460	81,437	136,098
Employee benefits	829,748	921,994	803,271	851,405	897,730	887,850	937,144	886,953	961,326	1,033,657
Interest on long-term debt	170,760	161,310	151,860	77,633	103,163	111,438	106,921	101,921	96,721	87,720
Capital outlay	7,799	13,447				10,876	677	1,199		6,350
Unallocated depreciation	115,604	107,738	109,544	109,544	109,425	157,148	162,619	167,541	174,272	168,840
Total governmental activities expenses	4,361,853	4,453,523	4,413,625	4,345,881	4,246,139	4,335,281	4,563,269	4,842,893	4,796,223	4,838,458
Total district-wide expenses	\$ 4,361,853	\$ 4,453,523	\$ 4,413,625	\$ 4,345,881	\$ 4,246,139	\$ 4,335,281	\$ 4,563,269	\$ 4,842,893	\$ 4,796,223	\$ 4,838,458
PROGRAM REVENUES:										
Governmental activities:										
Operating grants & contributions										
	401,659	\$ 350,854	\$ 259,004	\$ 307,121	\$ 309,318	\$ 284,826	\$ 270,919	\$ 289,575	\$ 366,349	\$ 316,800
Total governmental activities program revenues	401,659	350,854	259,004	307,121	309,318	284,826	270,919	289,575	366,349	316,800
Total district program revenues	\$ 401,659	\$ 350,854	\$ 259,004	\$ 307,121	\$ 309,318	\$ 284,826	\$ 270,919	\$ 289,575	\$ 366,349	\$ 316,800
Net (expense)/revenue:										
Governmental activities										
	\$ (3,960,194)	\$ (4,102,669)	\$ (4,154,621)	\$ (4,038,760)	\$ (3,936,821)	\$ (4,050,455)	\$ (4,292,350)	\$ (4,553,318)	\$ (4,429,874)	\$ (4,521,658)
Total district-wide net expense	\$ (3,960,194)	\$ (4,102,669)	\$ (4,154,621)	\$ (4,038,760)	\$ (3,936,821)	\$ (4,050,455)	\$ (4,292,350)	\$ (4,553,318)	\$ (4,429,874)	\$ (4,521,658)
General revenues & other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes										
	\$ 1,419,368	\$ 1,474,136	\$ 1,521,101	\$ 1,593,974	\$ 1,710,736	\$ 1,738,150	\$ 1,772,913	\$ 1,808,371	\$ 1,859,429	\$ 1,896,618
Taxes levied for debt service	162,388	157,846	155,752	151,013	159,974	182,803	202,266	201,738	200,446	191,975
Unrestricted grants & contributions	2,458,924	2,537,568	2,441,807	2,510,786	2,342,630	2,497,194	2,540,506	2,521,587	2,590,632	2,635,330
State aid restricted					599,550					
Tuition received					7,300					
Interest earned on capital reserve fund	30	18	5	5	3	1	2	1	1	2
Miscellaneous income	23,962	18,050	5,789	58,966	29,875	113,185	47,886	84,951	61,922	36,478
Prior year receivable canceled							(402)	(2)		
Loss on retirement of asset									(650)	
Total governmental activities	4,064,672	4,187,618	4,124,454	4,314,744	4,850,068	4,531,333	4,563,171	4,616,646	4,711,780	4,760,403
Total district-wide	\$ 4,064,672	\$ 4,187,618	\$ 4,124,454	\$ 4,314,744	\$ 4,850,068	\$ 4,531,333	\$ 4,563,171	\$ 4,616,646	\$ 4,711,780	\$ 4,760,403
Change in net position:										
Governmental activities										
	\$ 104,478	\$ 84,949	\$ (30,167)	\$ 275,984	\$ 913,247	\$ 480,878	\$ 270,821	\$ 63,328	\$ 281,906	\$ 238,745
Total district-wide	\$ 104,478	\$ 84,949	\$ (30,167)	\$ 275,984	\$ 913,247	\$ 480,878	\$ 270,821	\$ 63,328	\$ 281,906	\$ 238,745

Source: District records

NATIONAL PARK SCHOOL DISTRICT
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Restricted					\$ 306,323	\$ 652,855	\$ 903,982	\$ 921,342	\$ 983,441	\$ 1,157,319
Assigned					124,011	176,977	120,525	24,902	10,097	15,293
Unassigned					65,657	52,401	53,241	54,233	66,227	58,535
Reserved	\$ 96,353	\$ 121,227	\$ 38,260	\$ 151,321						
Unreserved	141,248	129,600	95,328	145,481						
Total general fund	<u>\$ 237,601</u>	<u>\$ 250,827</u>	<u>\$ 133,588</u>	<u>\$ 296,802</u>	<u>\$ 495,991</u>	<u>\$ 882,233</u>	<u>\$1,077,748</u>	<u>\$ 1,000,477</u>	<u>\$ 1,059,765</u>	<u>\$ 1,231,147</u>
All other governmental funds:										
Restricted for:										
Capital projects					\$ 801,683	\$ 126,234	\$ 61,910	\$ 60,710	\$ 60,710	\$ 60,710
Debt service fund					14,552	2	2			1
Unassigned					(13,848)	(10,386)	(8,819)	(9,051)	(14,482)	(12,671)
Reserved, reported in:										
Debt service fund				\$ 14,552						
Unreserved, reported in:										
Special revenue fund	\$ (10,253)	\$ (10,253)	\$ (10,050)	(10,386)						
Total all other governmental funds	<u>\$ (10,253)</u>	<u>\$ (10,253)</u>	<u>\$ (10,050)</u>	<u>\$ 4,166</u>	<u>\$ 802,387</u>	<u>\$ 115,850</u>	<u>\$ 53,093</u>	<u>\$ 51,659</u>	<u>\$ 46,228</u>	<u>\$ 48,040</u>

Source: District records

NATIONAL PARK SCHOOL DISTRICT
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES:										
Tax levy	\$ 1,581,756	\$ 1,631,982	\$ 1,676,853	\$ 1,744,987	\$ 1,870,710	\$ 1,920,953	\$ 1,975,179	\$ 2,010,109	\$ 2,059,875	\$ 2,088,593
Tuition charges					7,300					
Interest earnings	22,665	14,220	3,088	5	2,922	922	1,238	1,186	1,113	1,365
Miscellaneous	1,327	5,211	6,996	63,273	27,149	112,264	46,650	83,766	60,810	35,115
State sources	2,669,345	2,742,050	2,541,485	2,270,964	3,076,511	2,533,286	2,630,374	2,612,022	2,730,017	2,763,855
Federal sources	191,238	145,009	155,033	542,636	174,987	248,734	181,051	199,140	226,964	188,275
Total revenue	4,466,331	4,538,472	4,383,455	4,621,865	5,159,579	4,816,159	4,834,492	4,906,223	5,078,779	5,077,203
EXPENDITURES:										
Instruction:										
Regular instruction	1,008,924	1,138,164	1,281,326	1,260,383	1,463,662	1,212,338	1,266,166	1,283,583	1,264,083	1,259,160
Special education instruction	754,752	608,703	501,368	540,830	308,617	545,516	565,202	591,396	634,332	590,687
Other special instruction	38,851	31,546	72,592	57,092			69,692	81,069	122,941	140,766
Other instruction	11,142	11,499	7,443	8,805	57,858	49,820	8,034	8,806	8,909	8,731
Support services:										
Tuition	194,382	187,648	130,748	95,580	42,609	56,693	117,424	243,078	205,439	158,838
Student & instruction related services	502,043	548,023	610,851	638,864	562,415	573,827	604,758	683,818	613,943	608,184
School administrative services	75,303	75,489	64,888	117,238	334,174	326,082	162,666	161,505	166,925	173,162
Other administrative services	230,567	224,469	225,173	169,958			154,610	176,081	163,937	157,575
Plant operations & maintenance	318,186	320,400	340,906	350,829	311,130	313,755	291,098	328,120	306,398	309,437
Pupil transportation	92,489	102,487	102,197	70,370	68,508	98,698	94,701	127,460	81,437	136,098
Employee benefits	829,748	921,994	803,271	851,405	897,730	887,850	937,144	886,953	971,760	1,047,301
Capital outlay	18,571	28,514	37,871		179,201	730,437	102,916	86,136	163,097	6,350
Debt services:										
Principal	165,000	165,000	170,000	220,000	180,000	210,000	220,000	225,000	225,000	220,000
Interest	170,760	161,310	151,860	77,633	103,163	111,438	106,921	101,921	96,721	87,720
Total expenditures	4,410,718	4,525,246	4,500,494	4,458,987	4,509,067	5,116,454	4,701,332	4,984,926	5,024,922	4,904,009
Excess (deficiency) of revenues over (under) expenditures	55,613	13,226	(117,039)	162,878	650,512	(300,295)	133,160	(78,703)	53,857	173,194
Other financing sources (uses):										
Prior year receivable canceled							(402)	(2)		
Total other financing sources (uses)							(402)	(2)		
Net change in fund balance	\$ 55,613	\$ 13,226	\$ (117,039)	\$ 162,878	\$ 650,512	\$ (300,295)	\$ 132,758	\$ (78,705)	\$ 53,857	\$ 173,194
Debt service as a percentage of noncapital expenditures	8.28%	7.82%	7.77%	7.15%	7.00%	7.91%	7.65%	7.15%	7.09%	6.70%

Source: District records

NATIONAL PARK SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Refunds	Tuition	Local Grant	Miscellaneous	Annual Totals
2007	\$ 1,218			\$ 109	\$ 1,327
2008	3,848		\$ 1,363		5,211
2009	2,137		4,293	566	6,996
2010	79		4,307	55,152	59,538
2011		\$ 7,300	193	26,956	34,449
2012		92,182		20,082	112,264
2013		39,303		7,347	46,650
2014	17,967	44,214		21,585	83,766
2015		49,979		10,831	60,810
2016		30,790		4,325	35,115

Source: District records

NATIONAL PARK SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2007	1,552,100	91,099,000	4,382,300		635,800	97,669,200	90,719	97,759,919	159,435,740	1.670
2008	1,548,900	91,349,500	4,365,000		635,800	97,899,200	84,532	97,983,732	183,425,278	1.712
2009	1,533,500	91,800,100	4,392,100		635,800	98,361,500	89,176	98,450,676	189,654,615	1.772
2010	1,584,200	91,932,900	4,366,500		635,800	98,519,400	306,438	98,825,838	186,272,217	1.892
2011	3,334,200	166,522,300	7,963,500		607,300	178,427,300	368,601	178,795,901	181,023,553	1.074
2012	3,262,900	165,757,700	7,676,900	209,400	607,300	177,514,200	337,422	177,851,622	182,564,425	1.110
2013	3,301,600	165,387,600	7,532,000	209,400	607,300	177,037,900	393,301	177,431,201	174,814,958	1.132
2014	2,238,000	149,817,400	5,876,700	166,300	579,800	158,678,200	356,578	159,034,778	162,601,818	1.295
2015	2,195,500	149,475,000	6,232,100	166,300	745,600	158,814,500	359,196	159,173,696	158,100,720	1.312
2016	2,195,500	149,215,800	6,169,400	166,300	745,600	158,492,600	361,232	158,853,832	150,388,319	1.339

Source: Gloucester County Abstract of Ratables

NATIONAL PARK SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 (Rate Per \$100 of Assessed Value)
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	National Park School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Gateway High School Tax Rate	Borough of National Park	Gloucester County	
2007	1.508	0.162	1.670	1.423	1.061	0.968	5.122
2008	1.546	0.166	1.712	1.525	1.225	1.107	5.569
2009	1.607	0.165	1.772	1.551	1.434	1.139	5.896
2010	1.728	0.164	1.892	1.697	1.454	1.114	6.157
2011	0.982	0.092	1.074	0.953	0.820	0.591	3.438
2012	1.004	0.106	1.110	1.101	0.844	0.608	3.663
2013	1.016	0.116	1.132	1.077	0.844	0.639	3.692
2014	1.165	0.130	1.295	1.139	0.901	0.676	4.011
2015	1.184	0.128	1.312	1.138	0.873	0.699	4.022
2016	1.216	0.123	1.339	1.159	0.883	0.683	4.064

Source: Municipal Tax Collector

NATIONAL PARK SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Taxpayer 1	599,500	1	0.40%	373,200	3	0.38%
Individual Taxpayer 2	564,200	2	0.38%	355,700	4	0.36%
The Bank	493,800	3	0.33%	395,400	2	0.40%
Individual Taxpayer 3	454,100	4	0.30%	317,600	5	0.32%
Individual Taxpayer 4	421,500	5	0.28%	298,000	6	0.30%
Individual Taxpayer 5	380,600	6	0.25%	282,600	7	0.29%
PSE&G Power LLC	373,800	7	0.25%	552,800	1	0.57%
Verizon New Jersey	361,232	8	0.24%			
Individual Taxpayer 6	359,900	9	0.24%	274,200	9	0.28%
J&B LP LLC	346,000	10	0.23%	274,700	8	0.28%
Individual Taxpayer 7				256,500	10	0.26%
	<u>4,354,632</u>		<u>2.90%</u>	<u>3,380,700</u>		<u>3.44%</u>

Source: Municipal Tax Assessor

NATIONAL PARK 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 Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 1,581,756	\$ 1,581,756	100.00%	
2008	1,631,982	1,631,982	100.00%	
2009	1,676,853	1,676,853	100.00%	
2010	1,744,987	1,744,987	100.00%	
2011	1,870,710	1,870,710	100.00%	
2012	1,920,953	1,920,953	100.00%	
2013	1,975,179	1,975,179	100.00%	
2014	2,010,109	2,010,109	100.00%	
2015	2,059,875	2,059,875	100.00%	
2016	2,088,593	2,088,593	100.00%	

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

NATIONAL PARK SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases			
2007	\$ 3,410,000	\$ 3,447	\$ 3,413,447	2.70%	\$ 1,055
2008	3,245,000		3,245,000	2.43%	1,003
2009	3,075,000		3,075,000	2.32%	951
2010	2,900,000		2,900,000	2.30%	954
2011	3,081,450		3,081,450	2.35%	1,016
2012	2,871,450		2,871,450	2.14%	951
2013	2,651,450		2,651,450	1.96%	882
2014	2,426,450		2,426,450	1.73%	809
2015	2,201,450		2,201,450	N/A	734
2016	1,981,450		1,981,450	N/A	N/A

N/A - At the time of CAFR completion, this data was not available.

NATIONAL PARK SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2007	\$ 3,410,000		\$ 3,410,000	3.49%	\$ 1,053
2008	3,245,000		3,245,000	3.31%	1,003
2009	3,075,000		3,075,000	3.12%	951
2010	2,900,000		2,900,000	2.93%	954
2011	3,081,450		3,081,450	1.72%	1,016
2012	2,871,450		2,871,450	1.61%	951
2013	2,651,450		2,651,450	1.49%	882
2014	2,426,450		2,426,450	1.53%	809
2015	2,201,450		2,201,450	1.38%	734
2016	1,981,450		1,981,450	1.25%	N/A

N/A - At the time of CAFR completion, this data was not available.

NATIONAL PARK SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2015
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
National Park Borough	\$ 205,212	100.00%	\$ 205,212
Gloucester County General Obligation Debt	238,819,322	0.59%	1,409,034
Gateway Regional School District debt	5,860,000	17.37%	1,018,033
Subtotal, overlapping debt			2,632,279
National Park District direct debt			1,981,450
Total direct and overlapping debt			<u>\$ 4,613,729</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation. Debt outstanding data provided by each governmental unit.

NATIONAL PARK SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Equalized valuation basis	
2015	\$ 150,164,996
2014	157,434,468
2013	162,375,401
	<u>\$ 469,974,865</u>

Average equalized valuation of taxable property	<u>\$ 156,658,288</u>
Debt limit (2 1/2% of average equalized value)	\$ 3,916,457
Total net debt applicable to limit	1,981,450
Legal debt margin	<u>\$ 1,935,007</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 3,413,951	\$ 3,960,800	\$ 4,415,797	\$ 4,638,521	\$ 4,618,609	\$ 4,572,658	\$ 4,483,106	\$ 4,333,681	\$ 4,120,928	\$ 3,916,457
Total net debt applicable to limit	3,410,000	3,245,000	3,075,000	2,900,000	3,081,450	2,871,450	2,651,450	2,426,450	2,201,450	1,981,450
Legal debt margin	<u>\$ 3,951</u>	<u>\$ 715,800</u>	<u>\$ 1,340,797</u>	<u>\$ 1,738,521</u>	<u>\$ 1,537,159</u>	<u>\$ 1,701,208</u>	<u>\$ 1,831,656</u>	<u>\$ 1,907,231</u>	<u>\$ 1,919,478</u>	<u>\$ 1,935,007</u>
Total net debt applicable to the limit as a percentage of debt limit	99.88%	81.93%	69.64%	62.52%	66.72%	62.80%	59.14%	55.99%	53.42%	50.59%
Borough of National Park debt analysis:										
Permitted debt limitation (3.5%)	\$ 4,221,728									
Less: net municipal debt	420,300									
Available borough borrowing power	3,801,428									
Less: school district use of borrowing margin	3,951									
Remaining borough borrowing margin	<u>\$ 3,805,379</u>									

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

NATIONAL PARK SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2007	3,237	\$ 126,599,070	\$ 39,110	6.50%
2008	3,235	133,624,910	41,306	7.60%
2009	3,235	132,605,885	40,991	11.10%
2010	3,039	126,154,968	41,512	11.80%
2011	3,034	131,174,990	43,235	11.50%
2012	3,019	134,019,448	44,392	11.80%
2013	3,006	135,303,066	45,011	12.60%
2014	3,001	139,855,603	46,603	9.30%
2015	2,999	N/A	N/A	8.00%
2016	N/A	N/A	N/A	N/A

N/A At the time of CAFR completion, this data was not available.

* Represents information for Gloucester County.

Source:

Population information provided by the NJ Department of Labor and Workforce Development.
Personal income has been estimated based upon the municipal population and per capita
per personal income presented.

Per capita personal income estimated based upon the Census published by the U.S Bureau
of Economic Analysis.

Unemployment data provided by the NJ Department of Labor and Workforce Development.

NATIONAL PARK SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2016			2007		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Inspira Health	1,825	1	N/A			
Kennedy Memorial Hospital	1,675	2	N/A			
Washington Township School District	1,592	3	N/A		Not Available	
Rowan University	1,483	4	N/A			
County of Gloucester	1,354	5	N/A			
Missa Bay, LLC	950	6	N/A			
Monroe Township School District	806	7	N/A			
US Foodservice	725	8	N/A			
ExxonMobil Research & Engineering	540	9	N/A			
LaBrea Bakery	525	10	N/A			
	<u>11,475</u>					

Source: Gloucester County Department of Economic Development

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	21	22	22	22	21	21	19	20	20	20
Special education	4	5	5	5	5	5	6	6	8	8
Support Services										
Student & instruction related services	9	10	10	10	11	11	11	16	17	19
General administration	1	1	1	1	1	1	1	1	1	1
Total	<u>35</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>37</u>	<u>43</u>	<u>46</u>	<u>48</u>

Source: District Personnel Records

NATIONAL PARK SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
2007	306	\$ 4,056,387	\$ 13,256	13.65%	25	8.2	302	287	-4.73%	95%
2008	302	4,170,422	13,809	4.17%	27	8.9	306	286	1.32%	93%
2009	324	4,140,763	12,780	-7.45%	27	8.3	298	280	-2.61%	94%
2010	316	4,161,354	13,169	3.04%	27	8.5	311	295	4.36%	95%
2011	292	4,046,703	13,859	5.24%	26	8.9	286	272	-8.04%	95%
2012	275	4,064,579	14,780	6.65%	26	9.5	263	251	-8.04%	95%
2013	266	4,271,495	16,058	8.65%	25	9.4	255	241	-3.04%	95%
2014	290	4,571,869	15,765	-1.83%	26	9.0	272	255	6.67%	94%
2015	283	4,540,104	16,043	1.76%	28	9.9	271	254	-0.37%	94%
2016	287	4,589,939	15,993	-0.31%	28	9.8	272	254	0.37%	93%

Source: Enrollment based on annual October District count.

NATIONAL PARK SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Elementary										
Square Feet	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073	52,073
Capacity (students)	394	394	394	394	394	394	394	394	394	394
Enrollment	306	302	324	316	292	275	266	290	283	287

Number of Schools at June 30, 2016
 Elementary = 1

Source: District Office

NATIONAL PARK SCHOOL DISTRICT
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	<u>Gross Square</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
Elementary	52,073	\$ 70,666	\$ 86,902	\$ 81,903	\$ 98,048	\$ 79,118	\$ 87,756	\$ 90,877	\$ 94,787	\$ 88,767	\$ 100,958	\$ 879,782

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

Source: District records

SINGLE AUDIT SECTION

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Jeffrey T. Ridgway, CPA
Deanna L. Roller, CPA, RMA

**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

Honorable President and
Members of the Board of Education
National Park School District
516 Lakehurst Avenue
National Park, New Jersey 08063

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the National Park School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise National Park School District's basic financial statements, and have issued our report thereon dated October 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the National Park School District's 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 National Park School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies 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 National Park School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

October 12, 2016

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB'S CIRCULAR 15-08

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
National Park School District
516 Lakehurst Avenue
National Park, New Jersey 08063

Report on Compliance for Each Major State Program

We have audited the National Park School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the National Park School District's major state programs for the year ended June 30, 2016. National Park School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

standards, Uniform Guidance and New Jersey OMB Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the National Park School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of National Park School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the National Park School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the National Park 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements National Park School District as of and for the year ended June 30, 2016, and have issued our report thereon dated October 12, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

October 12, 2016

NATIONAL PARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010A	S010A150030	NCLB349016	\$ 81,928	7/1/15	6/30/16			\$ 47,962	\$ (81,928)			\$ (33,966)			\$ 81,928
Title I, Part A	84.010A	S010A150030	NCLB349015	80,594	7/1/14	6/30/15	\$ (39,424)		39,424							80,594
IDEA Part B, Basic Regular	84.027	H027A150100	FT349016	91,353	7/1/15	6/30/16			46,080	(90,540)			(44,460)			90,540
IDEA Part B, Basic Regular	84.027	H027A150100	FT349015	88,053	7/1/14	6/30/15	(31,444)		31,444							88,053
IDEA Part B, Preschool	84.173	H173A150114	FT349016	3,057	7/1/15	6/30/16				(3,057)			(3,057)			3,057
IDEA Part B, Preschool	84.173	H173A150114	FT349015	2,973	7/1/14	6/30/15	(2,973)		2,973							2,973
Title II Part A	84.367	S367A150029	NCLB349016	17,668	7/1/15	6/30/16				(10,951)			(10,951)			10,951
Title II Part A	84.367	S367A150029	NCLB349015	13,640	7/1/14	6/30/15	(8,042)		8,042							8,042
Title II Part A Carryover	84.367	S367A150029	NCLB349015	2,038	7/1/14	6/30/15	(1,976)		1,976							1,976
Race to the Top	84.413A	B413A120008	N/A	4,456	9/1/11	11/30/15	(802)		1,571	(769)						4,426
Ed Connect Comp	84.413A	B413A120008	N/A	49,780	2/1/15	11/30/15	(44,524)		45,554	(1,030)						45,554
Total Special Revenue Fund							(129,185)		225,026	(188,275)			(92,434)			418,094
Total Federal Financial Awards							\$ (129,185)		\$ 225,026	\$ (188,275)			\$ (92,434)			\$ 418,094

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

NATIONAL PARK SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2016			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	16-495-034-5120-014	\$ 6,376	7/1/15	6/30/16			\$ 6,376	\$ (6,376)						\$ 638	\$ 6,376
Extraordinary Aid	16-100-034-5120-473	8,786	7/1/15	6/30/16				(8,786)		\$ (8,786)					8,786
Extraordinary Aid	15-100-034-5120-473	9,009	7/1/14	6/30/15	\$ (9,009)		9,009								9,009
Special Education Categorical Aid	16-495-034-5120-089	148,644	7/1/15	6/30/16			148,644	(148,644)						14,864	148,644
Equalization Aid	16-495-034-5120-078	1,904,909	7/1/15	6/30/16			1,904,909	(1,904,909)						184,000	1,904,909
Security Aid	16-495-034-5120-084	13,325	7/1/15	6/30/16			13,325	(13,325)						1,333	13,325
PARCC Readiness	16-495-034-5120-098	2,300	7/1/15	6/30/16			2,300	(2,300)						230	2,300
Per Pupil Growth Aid	16-495-034-5120-097	2,300	7/1/15	6/30/16			2,300	(2,300)						230	2,300
Reimbursement of Nonpublic Transportation	N/A	1,044	7/1/15	6/30/16				(1,044)		(1,044)					1,044
Reimbursement of Nonpublic Transportation	N/A	1,044	7/1/14	6/30/15		(1,044)	1,044								1,044
On-behalf TPAF Pension Contribution	16-495-034-5094-006	142,133	7/1/15	6/30/16			142,133	(142,133)							142,133
On-behalf TPAF Postretirement Contribution	16-495-034-5094-001	169,241	7/1/15	6/30/16			169,241	(169,241)							169,241
Reimbursed TPAF Social Security Aid	16-495-034-5094-003	127,995	7/1/15	6/30/16			121,429	(127,995)		(6,566)					127,995
Reimbursed TPAF Social Security Aid	15-495-034-5094-003	128,994	7/1/14	6/30/15		(6,230)	6,230								128,994
Total General Fund						(16,283)	2,526,940	(2,527,053)		(16,396)				201,295	2,666,100
State Department of Education															
Special Revenue Fund:															
Preschool Education Aid	16-495-034-5120-086	126,714	7/1/15	6/30/16			126,714	(126,714)						12,671	126,714
Department of Community Affairs															
Passed through County of Gloucester															
Municipal Alliance	N/A	750	7/1/11	6/30/12		53					\$ 53				714
Municipal Alliance	N/A	600	7/1/10	6/30/11		600					600				
Municipal Alliance	N/A	2,400	7/1/09	6/30/10		132					132				2,268
Total Special Revenue Fund						785	126,714	(126,714)		785				12,671	129,696
NJ Schools Development Authority															
Capital Projects Fund:															
SDA Grant	3490-050-10-1001	599,550	12/14/10	N/A		(561,674)					(561,674)				561,674
Total Capital Project Fund						(561,674)					(561,674)				561,674
State Department of Education															
Debt Services Fund:															
State Department of Education															
Debt Service Aid Type II	16-100-034-5120-125	115,746	7/1/15	6/30/16			115,746	(115,746)							115,746
Total Debt Service Fund							115,746	(115,746)							115,746
Total State Financial Assistance						<u>\$(577,172)</u>	<u>\$ 2,769,400</u>	<u>\$(2,769,513)</u>		<u>\$(578,070)</u>	<u>\$ 785</u>			<u>\$ 213,966</u>	<u>\$ 3,473,216</u>
Less: On-behalf TPAF Pension System Contributions															
															<u>\$ (311,374)</u>
Total for State Financial Assistance - Major Program Determination															
															<u>\$(2,458,139)</u>

NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, National Park School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. This bases of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$7,469 for the General Fund and \$1,811 for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

NATIONAL PARK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 2,519,584	\$ 2,519,584
Special revenue fund	\$ 188,275	128,525	316,800
Debt service fund		115,746	115,746
Total awards & financial assistance	<u>\$ 188,275</u>	<u>\$ 2,763,855</u>	<u>\$ 2,952,130</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: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

NOTE 7: INDIRECT COST RATE

The National Park School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NATIONAL PARK SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? yes no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? yes no

NATIONAL PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB's Circular 15-08? yes X no

Identification of major programs:

GMIS Number(s)

495-034-5120-078
495-034-5120-089
495-034-5120-084
495-034-5120-097
495-034-5120-098

Name of State Program

State Aid Public Cluster:
Equalization Aid
Special Education Aid
Security Aid
Per Pupil Growth Aid
PARCC Readiness

NATIONAL PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section II – Financial Statement Findings

No matters were reported

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

FEDERAL AWARDS

Not applicable

STATE AWARDS

No matters were reported

NATIONAL PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

No matters were reported