

**SCHOOL DISTRICT**

**OF**

**RUNNEMEDE**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Runnemedede Board of Education**

**Runnemedede, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Runnemede Board of Education**

**Runnemede, New Jersey**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by**

**Runnemede Board of Education**

**Finance Department**

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OF THE RUNNEMEDE SCHOOL DISTRICT  
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**INTRODUCTORY SECTION**

# Runnemede Board of Education

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Dr. Sean McCarron  
Business Administrator

505 W. Third Avenue  
Runnemede, NJ 08078  
(856) 931-5367 Fax: (856) 931-4446

October 24, 2016

Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections as follows:

- 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 Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control 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:**

The Runnemede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2015-2016 fiscal year with a June enrollment of 851 students. This represents nineteen (19) less students than 2014-15. The following table details the changes in the student enrollment of the District over the last ten years.

**June 30 Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2015-16	851	(2.18)%
2014-15	870	3.57%
2013-14	840	(1.52)%
2012-13	853	(1.04)%
2011-12	862	1.00%
2010-11	851	(0.12)%
2009-10	852	0.95%
2008-09	844	5.10%
2007-08	803	2.49%
2006-07	806	0.12%
2005-06	805	(3.48) %

**2. ECONOMIC CONDITION AND OUTLOOK:**

The adequacy formula was again insufficient for the Runnemede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the District continued to recover from the loss of 2010-11 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2011-12 and 2012-13 budgets. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

### **3. MAJOR INITIATIVES:**

The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading continues to be implemented in all grade levels, providing an opportunity to differentiate instruction and meet the needs of individual learners. We have aligned our mathematics program to our sending high school district, providing our students with as many opportunities as possible. In addition we have also implemented a new mathematics curriculum in Grades K-6. Technology and Literacy are two areas we continue to provide job-embedded professional development. On-going professional development has been taking place on-site by having consultants push into classrooms to work with teachers and model lessons.

RTI (Response to Intervention) is fully implemented during the 2016-2017 school year in grades K-8. Now that we have implemented RTI in grades K-8, we are looking forward to fine tuning the program and ensuring all staff are trained on the resources we have available. The RTI Model has increased conversations between staff members, students, and parents regarding student interventions available. RTI teachers provide a mix of services between pushing into the classroom and pulling out during the school day.

Technology continues to advance with the continuous upgrade of computer labs and increasing our 1:1 initiative to grades 4-8. All classrooms are equipped with Interactive White Boards, and we are continually budgeting to upgrade this equipment. The web-based student information management system, Real-Time, is used again to include the lesson-planning module and our staff evaluations.

### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). 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 control is 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

## **7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**9. OTHER INFORMATION:**

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

**B) Awards** – The District has received one (1) safety award in recognition of the efforts and achievement of our Safety Program. These awards have been issued from the New Jersey School Boards Association Insurance Group.

**10. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

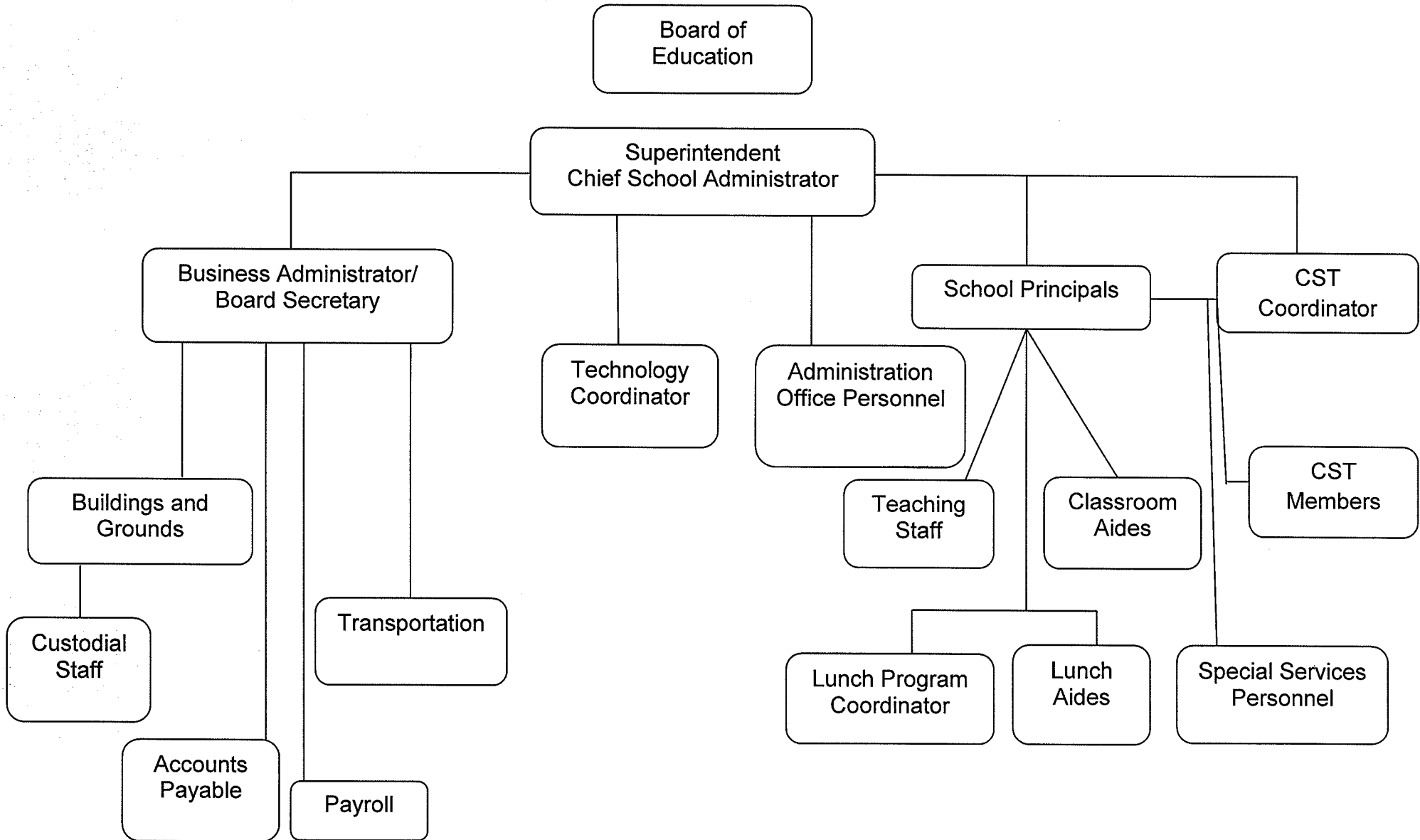
*Mark Iannucci*

Mark Iannucci, Superintendent

*Dr. Sean McCarron*

Dr. Sean McCarron, School Business  
Administrator

# RUNNEMEDE BOARD OF EDUCATION



RUNNEMEDE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2018
Charles Buchheim, Vice President	2018
Angel Beebe	2017
Joe Impagliazzo	2017
Myssee Anderson	2017
Patricia Adair	2018
Naomi Davidson	2016
Amy Farry	2016
Maria Panzarella	2016
<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Mark Iannucci, Superintendent	
Dr. Sean R. McCarron, Board Secretary / Business Administrator	\$ 50,000
Rebecca Giordano, District Accountant	
Christie Ehret, Treasurer	200,000
Philip Stern, Esq., Solicitor	

**RUNNEMEDE BOARD OF EDUCATION**  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Garrison Architects**  
1400 F Commerce Parkway  
Mount Laurel, NJ 08054

**AUDIT FIRM**

**Raymond Colavita, CPA, RMA, PSA**  
**Nightlinger, Colavita and Volpa, PA**  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Adams, Stern, Gutierrez & Lattiboudere, LLC**  
744 Broad Street  
Suite 1600  
Newark, NJ 07102

**OFFICIAL DEPOSITORY**

**PNC Bank**  
Glendora, NJ 08029

**INSURANCE AGENCY**

**The Barclay Group**  
202 Broad Street, P.O. Box 244  
Riverton, NJ 08077

**FINANCIAL SECTION**



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

October 24, 2016

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, 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 Runnemede School District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions, identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 inquires 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 Runnemede School District Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



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

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

RUNNEMEDE SCHOOL DISTRICT  
BOROUGH OF RUNNEMEDE

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

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2016. While 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 financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2016 by \$6,269,917. This amount represents Net Position, which increased by \$2,111,263 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$6,140,331.
- ❖ General revenues, net of adjustments, accounted for \$15,879,280 in revenue or 89.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$1,797,592 or 10.2% of \$17,676,872 in total revenues.
- ❖ The School District had \$15,565,609 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$1,797,592, as mentioned above in arriving at the \$13,840,236 in net governmental activity expenses of the District. General revenues comprising property taxes of \$7,089,901, federal and state aid of \$8,578,851 and other miscellaneous revenues and adjustments of \$246,582 were adequate to provide for the governmental programs maintained by the school.
- ❖ The General Fund had \$13,340,959 in revenues, \$12,646,748 in expenditures and \$1,511,436 in other financing uses. The General Fund's balance decreased by \$817,225 from 2015. This decrease was anticipated by the Board of Education and was attributed to appropriating matching funds for the capital projects approved with state aid.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Runnemede 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. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

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

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

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

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

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

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

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

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

### Governmental Funds (Continued)

The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service Fund is the only Enterprise Fund maintained by the District.

### The School District as a Whole

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

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

Table 1  
Net Position

	2016	2015
<b>Assets</b>		
Current and Other Assets	\$ 3,619,796	\$ 4,030,365
Capital Assets, Net	6,198,435	3,479,073
Total Assets	9,818,231	7,509,438
<b>Deferred Pension Outflow</b>	972,129	314,518
<b>Liabilities</b>		
Long-term Liabilities	401,365	351,916
Other Liabilities	4,055,402	3,132,737
Total Liabilities	4,456,767	3,484,653
<b>Deferred Pension Inflows</b>	63,676	180,649
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	6,198,435	3,479,073
Restricted	3,553,871	4,005,111
Unrestricted	(3,482,389)	(3,325,530)
Total Net Position	\$ 6,269,917	\$ 4,158,654

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

Table 2  
Changes in Net Position

	2016	2015
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 118,205	\$ 92,106
Operating Grants and Contributions	1,679,387	1,633,952
General Revenues		
Property Taxes	7,089,901	6,535,674
Grants and Entitlements	8,578,851	6,699,260
Other	210,528	104,139
<b>Total Revenues</b>	<b>17,676,872</b>	<b>15,065,131</b>
<b>Program Expenses</b>		
Instruction	5,313,832	5,213,843
Support Services		
Tuition	587,144	413,871
Pupils and Instructional Staff	1,563,987	1,575,472
General Administration, School		
Administration, Business	993,999	908,056
Operations and Maintenance of Facilities	862,926	878,185
Pupil Transportation	334,143	311,425
Unallocated Employee Benefits	5,516,621	4,544,444
Enterprise Funds	235,577	220,927
Other	157,380	163,077
<b>Total Expenses</b>	<b>15,565,609</b>	<b>14,229,300</b>
<b>Increase in Net Position</b>	<b>\$ 2,111,263</b>	<b>\$ 835,831</b>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$17,686,872 in total revenues for the fiscal year ended June 30, 2016, property taxes made up 40.1% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 48.5% and other revenues including adjustments made up 1.2%. The total cost of all program and services was \$15,565,609 of which the net amount spent on governmental activities was \$13,840,236. Of this amount, instruction comprised 35.6%.



**Business-Type Activities**

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

- ❖ Food service revenue exceeded expenses by \$72,219.
- ❖ A subsidy from the General Fund to the food service fund was not required during the current year, as the food service operation completed the current school year with a positive change in net position. The District, therefore, identified the means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$109,190 of revenue. This represents the amount paid by patrons for daily food services for, representing 35% of the \$307,796 total revenue in the Food Service Fund.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$198,606 which represents 65% of the revenue.

**Governmental Activities**

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. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2016</u>	<u>Net Cost of Service 2016</u>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>
Instruction	\$ 5,313,832	\$ 4,924,947	\$ 5,213,843	\$ 4,834,305
Support Services				
Tuition	587,144	587,144	413,871	413,871
Pupils and Instructional Staff	1,563,987	1,328,433	1,575,472	1,324,251
General Administration, School				
Administration, Business	993,999	993,999	908,056	908,056
Operation and Maintenance of Facilities	862,926	862,926	878,185	878,185
Pupil Transportation	334,143	334,143	311,425	311,425
Employee Benefits	5,516,621	4,651,264	4,544,444	3,692,853
Other	157,380	157,380	163,077	163,077
<b>Total Expenses</b>	<u><u>\$ 15,330,032</u></u>	<u><u>\$ 13,840,236</u></u>	<u><u>\$ 14,008,373</u></u>	<u><u>\$ 12,526,023</u></u>

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

### The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$15,705,250 and expenditures of \$16,162,176. The net change in fund balance for the year was (\$474,953), which included no transfer to the food service fund and a transfer to charter school of \$18,027. The School District is able to meet current operating costs with no urgent need for additional funds.

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2015</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 7,126,399	45.3%	\$ 240,213	3.5%
State Sources	8,066,138	51.4%	1,901,897	30.9%
Federal Sources	512,713	3.3%	(22,306)	-4.2%
Total	<u>\$ 15,705,250</u>	<u>100.0%</u>	<u>\$ 2,119,804</u>	<u>15.6%</u>

The increase in Local Sources is attributed to increase in the local tax levy of \$135,252, transportation of \$40,555, miscellaneous revenue of \$79,974 and interest earned of \$24, offset by a decrease in tuition income of \$15,592.

The increase in State Sources is attributed to increases in general fund state aid of \$139,530, grants for special projects of \$13,500 and capital projects fund of \$1,748,867.

The decrease in Federal Sources is attributed to decreases in various grant awards of \$22,306.

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 5,297,046	32.8%	\$ 100,597	1.9%
Undistributed Expenditures	7,949,513	49.2%	582,958	7.9%
Capital Outlay	2,915,617	18.0%	2,841,258	3821.0%
Total	<u>\$ 16,162,176</u>	<u>100.0%</u>	<u>\$ 3,524,813</u>	<u>27.9%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$71,213 and special education instruction of \$90,015, offset by a decrease in other instruction of \$60,631.

The increase in Current – Undistributed Expenditures is attributed to increases in district tuition of \$173,273, administrative costs of \$74,687, transportation of \$22,718 and employee benefits of \$335,933, offset by decreases in student related services of \$20,500 and plant operations and maintenance of \$3,153.

The increase of in capital outlay of \$2,841,258 includes expenditures in the Capital Projects Fund of \$2,900,004 for improvements to various school properties, offset by to decreases in equipment purchases of \$58,746.

There were no debt service payments, as the remaining debt was paid off in the 2013-14 school year.

### **General Fund Budgeting Highlights**

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

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

Some of the normal budgetary situations requiring attention during the year are:

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

While the District's final budget for the general fund normally plans to anticipate revenues, including surplus appropriated that would roughly equal expenditures, the actual results for the year show an actual decrease in fund balance of \$828,470. This result included a transfer to the Capital Project Fund of \$1,493,409 and a transfer to a Charter School of \$18,027 and therefore, does not indicate an unfavorable result.

- ❖ Actual revenues were \$206,391 higher than expected, (excluding On-Behalf pension and social security state aid of \$1,260,002), due primarily to local source revenue of \$184,207, other categorical aid of \$2,088 and special education Medicaid reimbursements of \$20,096.
- ❖ The actual expenditures were \$1,201,459 less than expected, (excluding On-Behalf pension and social security state aid of \$1,260,002), due to positive variances in Instructional expenses of \$362,224, Tuition costs of \$15,361, Pupil and staff support costs of \$37,809, Administrative costs of \$156,091, Plant and Maintenance costs of \$144,528, Transportation costs of \$15,209 and Employee Benefits of \$470,237.

**Capital Assets**

At the end of the fiscal year 2016, the School District had \$6,198,435 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

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

	<u>2016</u>	<u>2015</u>
Land	\$ 29,083	\$ 29,083
Work in Progress	2,900,004	
Site Improvements	30,150	40,183
Building and Improvements	2,905,062	3,032,180
Equipment	334,136	377,627
Totals	<u>\$ 6,198,435</u>	<u>\$ 3,479,073</u>

Overall capital assets increased by \$2,719,362 from fiscal year 2015 to fiscal year 2016. Increases were \$2,900,004 in building improvements, \$2,200 in Food Service Equipment and \$15,613 in other Equipment, offset by depreciation expense of \$198,455.

### **Debt Administration**

At June 30, 2016, the School District had \$401,365 as outstanding debt, all of which is for compensated absences.

At June 30, 2016, the School District's overall legal debt margin was \$15,449,574, all of which constitutes unvoted debt permitted by statute.

### **For the Future**

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures that are not aided by funding from the state. The Board of Education holds their annual school board election in November annually and agreed to reserve increase of tax levy to no more than two percent. While this ensures greater control over the budget, the restriction results in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

It is the responsibility of the governing body to make decisions that are consistently centered on student achievement and preservation of the asset while remaining mindful of the taxpayer. The District will continue to pursue new ways to decrease spending where possible to ensure that funding is adequate to ensure attainment of the goal of quality educational programs for its students. This will be accomplished by maintaining exemplary practices in financial planning, budgeting and maintaining financial controls that are in accordance with state statutes and guidelines.

### **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, Dr. Sean McCarron, Business Administrator/Board Secretary at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District.

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,438,585	\$	90,613	\$	1,529,198
Receivables, Net	1,987,918		34,488		2,022,406
Interfunds	67,084				67,084
Restricted Assets:					
Inventory			1,108		1,108
Capital Assets, Net (Note 5):	6,191,760		6,675		6,198,435
Total Assets	<u>9,685,347</u>		<u>132,884</u>		<u>9,818,231</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pension Outflows	<u>972,129</u>				<u>972,129</u>
<b>LIABILITIES</b>					
Accounts Payable	20,161				20,161
Other Liabilities	44,211				44,211
Unearned Revenue	27,297		3,298		30,595
Net Pension Liability	3,960,435				3,960,435
Non-current Liabilities (Note 6):					
Due Within One Year	22,873				22,873
Due Beyond One Year	378,492				378,492
Total Liabilities	<u>4,453,469</u>		<u>3,298</u>		<u>4,456,767</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pension Inflows	<u>63,676</u>				<u>63,676</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	6,191,760		6,675		6,198,435
Restricted for:					
Capital Reserve	877,485				877,485
Maintenance Reserve	700,000				700,000
Excess Surplus	1,470,242				1,470,242
Other Purposes	506,144				506,144
Unrestricted (Deficit)	<u>(3,605,300)</u>		<u>122,911</u>		<u>(3,482,389)</u>
Total Net Position	<u>\$ 6,140,331</u>	\$	<u>129,586</u>	\$	<u>6,269,917</u>

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



**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 3,723,081		\$ 388,885	\$ (3,334,196)		\$ (3,334,196)
Special Education	1,343,669			(1,343,669)		(1,343,669)
Other Instruction	247,082			(247,082)		(247,082)
<b>Support Services:</b>						
Tuition	587,144			(587,144)		(587,144)
Student & Instruction Related Services	1,563,987	9,015	226,539	(1,328,433)		(1,328,433)
General and Business Administrative Service	406,348			(406,348)		(406,348)
School Administrative Services	359,987			(359,987)		(359,987)
Central Services	204,263			(204,263)		(204,263)
Admin Info Tech	23,401			(23,401)		(23,401)
Plant Operations and Maintenance	862,926			(862,926)		(862,926)
Pupil Transportation	334,143			(334,143)		(334,143)
Employee Benefits	5,516,621		865,357	(4,651,264)		(4,651,264)
Unallocated Depreciation	157,380			(157,380)		(157,380)
<b>Total Governmental Activities</b>	<b>15,330,032</b>	<b>9,015</b>	<b>1,480,781</b>	<b>(13,840,236)</b>		<b>(13,840,236)</b>
<b>Business-type Activities:</b>						
Food Service	235,577	109,190	198,606		72,219	72,219
<b>Total Business-type Activities</b>	<b>235,577</b>	<b>109,190</b>	<b>198,606</b>		<b>72,219</b>	<b>72,219</b>
<b>Total Primary Government</b>	<b>\$ 15,565,609</b>	<b>\$ 118,205</b>	<b>\$ 1,679,387</b>	<b>\$ (13,840,236)</b>	<b>\$ 72,219</b>	<b>\$ (13,768,017)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property Taxes, Levied for General Purposes, Net				\$ 7,089,901		\$ 7,089,901
Federal, State and Local Aid Not Restricted				8,578,851		8,578,851
Tuition and Transportation Fees from other LEA'S				61,907		61,907
Investment Earnings				1,094	8	1,102
Miscellaneous Income				165,546		165,546
Transfers - To Charter School				(18,027)		(18,027)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>15,879,272</b>	<b>8</b>	<b>15,879,280</b>
<b>Change in Net Position</b>				<b>2,039,036</b>	<b>72,227</b>	<b>2,111,263</b>
<b>Net Position—Beginning</b>				<b>4,101,295</b>	<b>57,359</b>	<b>4,158,654</b>
<b>Net Position—Ending</b>				<b>\$ 6,140,331</b>	<b>\$ 129,586</b>	<b>\$ 6,269,917</b>

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

## **FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 708,288	\$	\$	\$ 708,288
Cash and Cash Equivalents - Capital Reserve	6,535			6,535
Cash and Cash Equivalents -Maintenance Reserve	700,000			700,000
State Aid Receivable	113,775		1,748,867	1,862,642
Federal Aid Receivable	9,986	111,099		121,085
Interfund Receivable	1,556,599			1,556,599
Other Receivables	4,191			4,191
<b>Total Assets</b>	<b>\$ 3,099,374</b>	<b>\$ 111,099</b>	<b>\$ 1,748,867</b>	<b>\$ 4,959,340</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 20,161	\$	\$	\$ 20,161
Interfund Payable		59,158	1,406,595	1,465,753
Due to State of New Jersey		44,211		44,211
Unearned Revenue	19,567	7,730		27,297
<b>Total Liabilities</b>	<b>39,728</b>	<b>111,099</b>	<b>1,406,595</b>	<b>1,557,422</b>
Fund Balances:				
Restricted For:				
Excess Surplus	803,460			803,460
Excess Surplus - Designated for Subsequent Year's Expenditures	666,782			666,782
Maintenance Reserve Account	700,000			700,000
Capital Reserve Account	877,485			877,485
Assigned To:				
Year-End Encumbrances	110,360			110,360
Designated for Subsequent Year's Expenditures	53,512		229,182	282,694
Committed			113,090	113,090
Unassigned, Reported In:				
General Fund Balance	(151,953)			(151,953)
<b>Total Fund Balances</b>	<b>3,059,646</b>		<b>342,272</b>	<b>3,401,918</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,099,374</b>	<b>\$ 111,099</b>	<b>\$ 1,748,867</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,769,968 and the accumulated depreciation is \$3,578,208 (See Note 5)	6,191,760
Deferred Outflow of Resources - Deferred Pension Contribution.	972,129
Deferred Inflows of Resources - Pension Actuarial Gains.	(63,676)
Long Term Net Pension Liability	(3,960,435)
Long-term liabilities, including bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(401,365)
<b>Net Position of Governmental Activities</b>	<b>\$ 6,140,331</b>

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

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 6,897,852	\$	\$	\$ 6,897,852
Tuition from Individuals	43,200			43,200
Tuition from Other LEAS	21,352			21,352
Transportation Fees from Other LEAS	40,555			40,555
Interest Earned on Investments	619			619
Interest Earned on Capital Reserve Funds	475			475
Miscellaneous	121,381	965		122,346
<b>Total - Local Sources</b>	<b>7,125,434</b>	<b>965</b>		<b>7,126,399</b>
State Sources	6,182,254	135,017	1,748,867	8,066,138
Federal Sources	33,271	479,442		512,713
<b>Total Revenues</b>	<b>13,340,959</b>	<b>615,424</b>	<b>1,748,867</b>	<b>15,705,250</b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	3,317,410	388,885		3,706,295
Special Education Instruction	1,343,669			1,343,669
Other Instruction	247,082			247,082
Support Services:				
Tuition	587,144			587,144
Student & Instruction Related Services	1,328,433	226,539		1,554,972
General Administrative Services	406,348			406,348
School Administrative Services	359,987			359,987
Central Services	192,483			192,483
Admin Info Tech	11,718			11,718
Plant Operations and Maintenance	862,926			862,926
Pupil Transportation	334,143			334,143
Employee Benefits	3,639,792			3,639,792
Capital Outlay	15,613		2,900,004	2,915,617
<b>Total Expenditures</b>	<b>12,646,748</b>	<b>615,424</b>	<b>2,900,004</b>	<b>16,162,176</b>
Excess (Deficiency) of Revenues Over Expenditures	694,211		(1,151,137)	(456,926)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer To Capital Projects Fund	(1,493,409)		1,493,409	
Transfers to Charter School	(18,027)			(18,027)
<b>Total Other Financing Sources and Uses</b>	<b>(1,511,436)</b>		<b>1,493,409</b>	<b>(18,027)</b>
Net Change in Fund Balances	(817,225)		342,272	(474,953)
Fund Balance—July 1	3,876,871			3,876,871
<b>Fund Balance—June 30</b>	<b>\$ 3,059,646</b>	<b>\$</b>	<b>\$ 342,272</b>	<b>\$ 3,401,918</b>

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

**RUNNEMEDE BOARD OF EDUCATION**  
**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)** \$ (474,953)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(197,629)	
Capital outlays		2,915,617	
		2,717,988	2,717,988

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. (154,550)

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). (49,449)

**Change in Net Position of Governmental Activities (A-2)** \$ 2,039,036

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

**PROPRIETARY FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 114,375	\$ 114,375
Accounts Receivable	34,488	34,488
Inventory	1,108	1,108
Total Current Assets	149,971	149,971
Fixed Assets:		
Equipment	16,797	16,797
Accumulated Depreciation	(10,122)	(10,122)
Total Fixed Assets	6,675	6,675
Total Assets	156,646	156,646
<b>LIABILITIES:</b>		
Current Liabilities:		
Interfund Payable	23,762	23,762
Unearned Revenue	3,298	3,298
Total Current Liabilities	27,060	27,060
<b>NET POSITION:</b>		
Invested in Capital Assets Net of Related Debt	6,675	6,675
Unrestricted	122,911	122,911
Total Net Position	\$ 129,586	\$ 129,586

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



**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 58,294	\$ 58,294
Daily Sales - Non-Reimbursable Programs	50,896	50,896
Total Operating Revenue:	109,190	109,190
Operating Expenses:		
Salaries	66,322	66,322
Employee Benefits	9,367	9,367
Management Fee	5,000	5,000
Supplies and Materials	634	634
Cost of Sales	123,541	123,541
Cost of Sales - Non-Program Food	29,887	29,887
Depreciation	826	826
Total Operating Expenses	235,577	235,577
Operating Income (Loss)	(126,387)	(126,387)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,697	2,697
Federal Sources:		
National School Lunch Program	115,272	115,272
National School Breakfast Program	73,483	73,483
Food Distribution Program	7,154	7,154
Interest	8	8
Total Non-operating Revenues (Expenses)	198,614	198,614
Income (Loss) Before Contributions & Transfers	72,227	72,227
Transfers In (Out)		
Change in Net Position	72,227	72,227
Total Net Position—Beginning	57,359	57,359
Total Net Position—Ending	\$ 129,586	\$ 129,586

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

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Business-type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 109,190	\$ 109,190
Payments to Employees	(66,322)	(66,322)
Payments for Employee Benefits	(9,367)	(9,367)
Payments to Suppliers	(179,497)	(179,497)
Net Cash Provided by (used for) Operating Activities	<u>(145,996)</u>	<u>(145,996)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,697	2,697
Federal Sources	188,755	188,755
Operating Subsidies and Transfers to Other Funds		
Net Cash Provided by (used for) Non-capital Financing Activities	<u>191,452</u>	<u>191,452</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends	8	8
Net Cash Provided by (used for) Investing Activities	<u>8</u>	<u>8</u>
Net Increase (Decrease) in Cash and Cash Equivalents	45,464	45,464
Balances—Beginning of Year	47,349	47,349
Balances—End of Year	<u>\$ 92,813</u>	<u>\$ 92,813</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating Income (Loss)	\$ (126,387)	\$ (126,387)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization	826	826
Food Distribution Program	7,154	7,154
(Increase)/Decrease in Accounts Receivable, Net	(25,549)	(25,549)
(Increase)/Decrease in Inventory	(832)	(832)
Increase/(Decrease) in Accounts Payable	(945)	(945)
Increase/(Decrease) in Interfund Payable	(395)	(395)
Increase/(Decrease) in Deferred Revenue	132	132
Total Adjustments	<u>(19,609)</u>	<u>(19,609)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (145,996)</u>	<u>\$ (145,996)</u>

Noncash Noncapital Financing Activities:

During the year, the District received \$13,669 of Food Commodities from the U. S. Department of Agriculture

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

**FIDUCIARY FUNDS**

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2016**

	<b>Unemployment Compensation Insurance Trust</b>	<b>Agency Funds</b>	
		<b>Student Activity</b>	<b>Payroll</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 73,995	\$ 11,810	\$ 139,939
Cash from Fiscal Agent			10,671
Due from Payroll Agency Account	6,599		
	<hr/>	<hr/>	<hr/>
Total Assets	80,594	11,810	150,610
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>			
Accounts Payable	1,941		
Due to Unemployment Account			6,599
Due to General Fund			67,084
Payable to Student Groups		11,810	
Flexible Spending Reserve			7,771
Payroll Deductions and Withholdings			69,156
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,941	\$ 11,810	\$ 150,610
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 78,653		
	<hr/> <hr/>		

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

**RUNNEMEDE BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Unemployment Compensation Insurance Trust</b>
<b>ADDITIONS</b>	
Contributions - Employee	\$ 19,350
Interest Earnings	36
Total Additions	<u>19,386</u>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>11,549</u>
Total Deductions	<u>11,549</u>
Change in Net Position	7,837
Net Position—Beginning of the Year	<u>70,816</u>
Net Position—End of the Year	<u><u>\$ 78,653</u></u>

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Description of Reporting Entity:**

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2016 of 851 students.

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

**B. New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB No. 80 - *Blending Requirements for Certain Component Units - an Amendment of GASB No. 14*: The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 80, did not impact the financial statements of the School District.
  
- GASB No. 79 - *Certain External Investment Pools and Pool Participants*: This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 79, did not impact the financial statements of the School District.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY (CONT'D)**

**B. New Accounting Standards: (Cont'd)**

- GASB Statement No. 78 - *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*: The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 78, did not impact the financial statements of the School District.
- GASB No. 77, *Tax Abatement Disclosures*: This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This Statement is effective for fiscal years beginning after December 15, 2015. The adoption of GASB 77, did not impact the financial statements of the School District.
- GASB No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*: The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 76, did not impact the financial statements of the School District.
- GASB No. 73 - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*: The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 73, did not impact the financial statements of the School District.
- GASB No. 72 - *Fair Value Measurement and Application*: This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY (CONT'D)**

**B. New Accounting Standards: (Cont'd)**

This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for fiscal years beginning after June 15, 2015. The adoption of GASB 72, did not impact the financial statements of the School District.

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

- GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 68 and No. 73*: The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 82 on the School District's financial statements.
- GASB No. 81 - *Irrevocable Split-Interest Agreements*: The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements.
- GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- GASB No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*: The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY (CONT'D)**

**B. New Accounting Standards: (Cont'd)**

- This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 74 on the School District's financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation:**

The financial statements of the Board of Education (Board) of the Runnemedede School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the School District has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

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

**District-Wide Statements** - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**District-Wide Statements (Cont'd)** - The Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements** - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

**B. Fund Accounting:**

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**GOVERNMENTAL FUNDS** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**B. Fund Accounting (Cont'd):**

**GOVERNMENTAL FUNDS (CONT'D)**

**General Fund (Cont'd)** - As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District recorded three new NJSDA Projects during the year in the Capital Projects Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

**Permanent Fund** - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the school district or its students. The School District does not maintain a Permanent Fund.

**PROPRIETARY FUNDS** - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

**Enterprise Funds** - These funds are used to account for operations:

That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or where the School District has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**B. Fund Accounting: (Cont'd)**

**PROPRIETARY FUNDS (CONT'D)**

**Food Service Fund** - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

During the 2015-15 school year, the District entered into a vended meal contract with Black Horse Pike Regional School District. This includes a management fee of \$500 per month.

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

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

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

**FIDUCIARY FUNDS** - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

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

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**FIDUCIARY FUNDS (CONT'D)**

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

**C. Measurement Focus:**

**District-Wide Financial Statements** - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-Wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position, with the exception of the Fiduciary Funds.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-Wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the District-Wide statements and the statements for governmental funds.

Like the District-Wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**D. Basis of Accounting: (Cont'd)**

**Revenues – Exchange and Non-exchange Transactions:**

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as 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 School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measureable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”.

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

**Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**E. Lease Acquisition Costs:**

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

**F. Budgets/Budgetary Control:**

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

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

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

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

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**G. Encumbrance Accounting:**

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

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as unearned 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.

**H. Cash, Cash Equivalents and Investments:**

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

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments state at cost. All other investments would be stated at fair value.

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

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

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2016 the District had no funds on deposit with the New Jersey Cash Management.

**Deposits:**

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that School Districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**H. Cash, Cash Equivalents and Investments: (Cont'd)**

Deposits: (Cont'd)

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

**I. Tuition Receivable:**

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

**J. Tuition Payable:**

Tuition charges for the fiscal years ended June 30, 2016, 2015 and 2014 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

**K. Inventories:**

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On District-Wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

There was no Federal Commodity Inventory balance as of June 30, 2016, maintained at the Black Horse Pike Regional School District that provides meals to the Runnemede School District, on a vended meal contract basis. The Food Service inventory as of June 30, 2016 consisted of \$747 in purchased food and \$361 in supplies for a total of \$1,108.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**L. Prepaid Expenses:**

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

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

**M. Short-Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**N. Restricted Assets:**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

**O. Deferred Charges - Bond Issue Costs:**

On the District-wide financial statements, bond issue costs were previously deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. Beginning in the 2013-14 year the District will expense bond issue costs when incurred.

**P. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District-Wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**P. Capital Assets: (Cont'd)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

<u>Asset Class</u>	<b>Governmental Activities <u>Estimated Lives</u></b>	<b>Business-Type Activities <u>Estimated Lives</u></b>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

**Q. Unearned Revenue:**

Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

**R. Operating Revenues and Expenses:**

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

**S. Compensated Absences:**

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the District-Wide financial statements.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**P. Compensate Absences: (Cont'd)**

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**T. Accrued Liabilities and Long-term Obligations:**

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

**U. Net Position:**

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

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

**V. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**W. Interfund Activity:**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

**X. Management Estimates:**

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

**Y. Allocation of Indirect Expenses:**

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

**Z. Extraordinary and Special Items:**

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

**AA. Comparative Data/Reclassifications:**

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

		<u>Cash and Equivalents</u>
Checking Accounts	\$	1,754,942
Cash with Fiscal Agent		<u>10,671</u>
Total	\$	<u><u>1,765,613</u></u>

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2016, the District's bank balance of \$1,946,379 was insured or collateralized as follows:

Insured by Depository Insurance	\$	250,000
Collateralized under GUDPA		<u>1,696,379</u>
Total	\$	<u><u>1,946,379</u></u>

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Runnemede Board of Education on June 30, 2008 for accumulating 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 reflected in the School 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)**

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

Beginning Balance, July 1, 2015	\$	1,870,419
2015-16 Addition		500,000
Interest Earnings		475
		<u>2,370,894</u>
Less: Transfers Out		(1,493,409)
Ending Balance, June 30, 2016	\$	<u><u>877,485</u></u>

None of this balance was utilized in the 2016-17 budget.

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects at June 30, 2016 is \$7,389,180. There were no withdrawals from the capital reserve for use in a DOE approved facilities projects during the year under audit. Consistent with the District's Long Range Facilities Plan, projects are planned in the near future.

**NOTE 5. MAINTENANCE RESERVE**

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

Beginning Balance, July 1, 2015	\$	700,000
Interest Earnings		
		<u>700,000</u>
Less: Transfers Out		
Ending Balance, June 30, 2016	\$	<u><u>700,000</u></u>

None of this balance was utilized in the 2016-17 budget.

The balance in the Maintenance Reserve as of June 30, 2016 is within the maximum amount shown in the 2016 budget. None of this balance was utilized in the 2016-17 budget.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6. CAPITAL ASSETS**

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Governmental Activities:				
Capital Assets that are not being depreciated:				
Land	\$ 29,083			\$ 29,083
Construction in Progress		\$2,900,004		2,900,004
<b>Total Capital Assets not being depreciated</b>	<b>29,083</b>	<b>2,900,004</b>		<b>2,929,087</b>
Site Improvements	345,106			345,106
Building and Building Improvements	5,657,015	\$ 4,085		5,661,100
Equipment	825,409	11,528	\$ 2,262	834,675
<b>Totals at Historical Cost</b>	<b>6,827,530</b>	<b>15,613</b>	<b>2,262</b>	<b>6,840,881</b>
Less Accumulated Depreciation for :				
Site Improvements	(304,923)	(10,033)		(314,956)
Building and Improvements	(2,624,835)	(131,203)		(2,756,038)
Equipment	(453,083)	(56,393)	(2,262)	(507,214)
<b>Total Accumulated Depreciation</b>	<b>(3,382,841)</b>	<b>(197,629)</b>	<b>(2,262)</b>	<b>(3,578,208)</b>
<b>Total Capital Assets being depreciated, Net of Accumulated Depreciation</b>	<b>3,444,689</b>	<b>(182,016)</b>	<b>-</b>	<b>3,262,673</b>
<b>Government Activities Capital Assets, Net</b>	<b>\$ 3,473,772</b>	<b>\$2,717,988</b>	<b>\$ -</b>	<b>\$ 6,191,760</b>
	To A-1			To A-1
Business-Type Activities - Equipment	\$ 14,597	\$ 2,200		\$ 16,797
Less Accumulated Depreciation	(9,296)	(826)		(10,122)
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 5,301</b>	<b>\$ 1,374</b>	<b>\$ -</b>	<b>\$ 6,675</b>

Depreciation Expense in the amount of \$197,629 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 16,786
Plant Operations	11,683
Central Administration	11,780
Unallocated	157,380
	<b>\$ 197,629</b>



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7. GENERAL LONG-TERM DEBT**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	\$	\$	\$	\$	\$	\$
Total Bonds Payable						
Other Liabilities:						
Compensated Absences Payable	351,916	50,412	963	401,365	22,873	378,492
Total Other Liabilities	\$ 351,916	\$ 50,412	\$ 963	\$ 401,365	\$ 22,873	\$ 378,492
<b>Business-Type Activities:</b>						
Compensated Absences Payable	\$	\$	\$	\$	\$	\$

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

All bonds were paid-off during the 2011-2012 school year. Therefore, no principal and interest due on bonds is outstanding as of June 30, 2016.

**B. Bonds Authorized But Not Issued - As of June 30, 2016** None.

**C. Capital Leases** None.

**NOTE 8. OPERATING LEASES**

At June 30, 2016, the District had approved operating lease agreements for 5 copiers with payments made in the 2015-2016 school year. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2017	\$ 16,062
2018	7,072
	\$ 23,134

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS**

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

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

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

For the year ended June 30, 2016, the District recognized pension expense of \$2,067,475 and revenue of \$2,067,475 for support provided by the State.

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS (CONT'D)**

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

<b>Public Employees Retirement System</b>					
<b>Fiscal Year</b>	<b>Normal Contribution</b>	<b>Accrued Liability</b>	<b>Total Liability</b>	<b>Funded by State</b>	<b>Paid by District</b>
2016	\$ 25,679	\$ 118,293	\$ 143,972	\$ N/A	\$ 143,972

**Vesting and Benefit Provisions**

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

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

The following represents the membership tiers for TPAF and PERS:

**Tier Definition**

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 9. PENSION PLANS (CONT'D)**

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

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

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/16	\$ 864,557	100 %	\$ N/A
6/30/15	749,428	100	N/A
6/30/14	599,918	100	N/A

**Teachers' Pension and Annuity Fund** - During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$394,645 to the TPAF for pension contributions and \$469,912 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the School District \$395,445 during the year ended June 30, 2016 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

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

Contributions to the pension plan from the School District were \$151,680 for the fiscal year ended June 30, 2016. Employee contributions were \$97,550.35 for the fiscal year ended June 30, 2016.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS (CONT'D)**

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

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

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

**Public Employees' Retirement System** - At June 30, 2016, the School District reported a liability of \$3,960,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the School District's proportion was .017643%, which represents a .0015% increase from the prior year.

For the fiscal year ended June 30, 2016, the School District recognized \$327,863 in the government-wide financial statements, for pension expense for PERS.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 94,482	\$
Changes of assumptions	425,319	
Net difference between projected and actual earnings on pension plan investments		63,676
Changes in proportion and differences between District contributions and proportionate share of contributions	300,648	
District contributions subsequent to the measurement date	151,680	
	<hr/>	<hr/>
Total	\$ 972,129	\$ 63,676
	<hr/> <hr/>	<hr/> <hr/>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS (CONT'D)**

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

**Public Employees' Retirement System** - \$151,680 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	PERS
2017	\$ 132,296
2018	132,296
2019	132,296
2020	132,296
2021	132,296
Thereafter	95,293
Total	\$ <u>756,773</u>

Collective Balances at June 30, 2015 and 2016 are as follows:

	<u>Actuarial Valuation Date</u>	
	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability	\$ 46,170,131,656	\$ 38,849,838,953
District's Proportion	0.0176427113%	0.0161904822%

**Actuarial Assumptions**

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Continued)**

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

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

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9. PENSION PLANS (CONT'D)**

**Discount Rate** - The discount rate used to measure the total pension liability was 4.13% and 4.68% for TPAF as of June 30, 2016 and 2015, respectively, and 4.90% and 5.39% for PERS as of June 30, 2016 and 2015, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

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

	1% Decrease (3.9%)	Current Discount (4.9%)	1% Increase (5.9%)
District's proportionate share of the net pension liability	\$ 4,922,336	\$ 3,960,435	\$ 3,153,984

**Pension Plan Fiduciary Net Position**

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



**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10. POST-RETIREMENT BENEFITS**

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

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides 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 11. COMPENSATED ABSENCES**

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

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2016, a liability existed for compensated absences in the governmental fund in the amount \$401,365.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, 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 School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Aetna	Lincoln Investment Planning
Fidelity Investments	Vanguard
	AXA Equitable

**NOTE 13. CONTINGENCIES**

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

**NOTE 14. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

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

**Joint Insurance Pool**- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 14. RISK MANAGEMENT (CONT'D)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$	\$	19,386	\$ 78,653
2014-2015			24,312	70,816
2013-2014			17,561	64,936

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,556,599	\$
Special Revenue Fund		59,158
Capital Projects Fund		1,406,595
Food Service Fund		23,762
Payroll Agency		67,084
Total	<u>\$ 1,556,599</u>	<u>\$ 1,556,599</u>

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$3,059,646 General Fund balance at June 30, 2016, \$110,360 is assigned for Encumbrances; \$877,485 has been restricted in the Capital Reserve Account, of which none has been appropriated and also included as anticipated revenue for the year ending June 30, 2016 ; \$700,000 is restricted for Maintenance Reserve, of which \$0 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016; \$1,470,242 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$666,782 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$53,512 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2016); and there is a Deficit in unreserved and undesignated fund balance of (\$151,953).

**Debt Service Fund** - There is no fund balance in the Debt Service Fund at June 30, 2016.

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 \$1,470,242 and \$803,460 must be budgeted in the 2017-18 budget.

**NOTE 18. DEFICIT FUND BALANCES**

The District has a deficit in Unrestricted fund balance of \$151,953 in the General Fund and no deficit in the Special Revenue Fund as of June 30, 2016 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

**NOTE 18. DEFICIT FUND BALANCES (CONT'D)**

Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment 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's general fund deficit is less than the last state aid payment of \$451,438.

**NOTE 19. RECEIVABLES**

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

<u>Receivables:</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Proprietary</u> <u>Funds</u>
Federal	\$ 9,986	\$ 111,099	\$	\$ 32,170
State	113,775		1,748,867	439
Other	4,191			1,879
<b>Totals</b>	<b>\$ 127,952</b>	<b>\$ 111,099</b>	<b>\$ 1,748,867</b>	<b>\$ 34,488</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 20. LITIGATION**

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District.

**NOTE 21. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 6,897,852	\$ -	\$ 6,897,852	\$ 6,897,852	\$ -
Tuition From Individuals		42,125	42,125	43,200	1,075
Tuition From Other LEAS				21,352	21,352
Transportation Fees				40,555	40,555
Interest on Investments	1,250		1,250	619	(631)
Interest Earned on Capital Reserve				475	475
Miscellaneous				121,381	121,381
<b>Total - Local Sources</b>	<b>6,899,102</b>	<b>42,125</b>	<b>6,941,227</b>	<b>7,125,434</b>	<b>184,207</b>
State Sources:					
Equalization Aid	4,192,794		4,192,794	4,192,794	
Special Education Aid	474,234		474,234	474,234	
School Choice	89,353		89,353	89,353	
Transportation Aid	17,260		17,260	17,260	
Security Aid	35,985		35,985	35,985	
Under Adequacy Aid	496		496	496	
Additional Adjustment Aid	8,123		8,123	8,123	
PARCC Readiness Aid	7,940		7,940	7,940	
Per Pupil Growth Aid	7,940		7,940	7,940	
Extraordinary Aid	35,000	39,794	74,794	74,794	
Non-Public Transportation				2,088	2,088
On-behalf Pension Contribution				394,645	394,645
On-behalf TPAF Post Retirement Medical Contribution				469,912	469,912
Reimbursement TPAF Social Security				395,445	395,445
<b>Total - State Sources</b>	<b>4,869,125</b>	<b>39,794</b>	<b>4,908,919</b>	<b>6,171,009</b>	<b>1,262,090</b>
Federal Sources:					
Medicaid Reimbursement	13,175		13,175	33,271	20,096
<b>Total - Federal Sources</b>	<b>13,175</b>		<b>13,175</b>	<b>33,271</b>	<b>20,096</b>
<b>TOTAL REVENUES</b>	<b>\$ 11,781,402</b>	<b>\$ 81,919</b>	<b>\$ 11,863,321</b>	<b>\$ 13,329,714</b>	<b>\$ 1,466,393</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 283,332	\$ (4,000)	\$ 279,332	\$ 279,332	\$ -
Grades 1-5	1,678,731	(55,022)	1,623,709	1,530,981	92,728
Grades 6-8	1,155,144	(22,000)	1,133,144	1,084,492	48,652
Home instruction:					
Salaries of Teachers	8,600		8,600	7,220	1,380
Regular Programs - Undistributed - Instruction:					
Purchased Prof/Ed Services	3,500	136,782	140,282	140,282	
Purchased Technical Services	45,000	(17,398)	27,602	27,602	
Other Purchased Services	35,000	(14,638)	20,362	18,674	1,688
General Supplies	220,000	6,037	226,037	185,608	40,429
Textbooks	75,000	(8,436)	66,564	43,219	23,345
<b>Total Regular Programs</b>	<b>3,504,307</b>	<b>21,325</b>	<b>3,525,632</b>	<b>3,317,410</b>	<b>208,222</b>



**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>CURRENT EXPENSES: (Continued)</b>					
<b>Special Education</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 171,000	\$ (68,819)	\$ 102,181	\$ 102,181	\$ -
Other Salaries for Instruction	57,779	74,034	131,813	131,431	382
General Supplies	9,000	2,420	11,420	10,674	746
<b>Total Multiple Disabilities</b>	<b>237,779</b>	<b>7,635</b>	<b>245,414</b>	<b>244,286</b>	<b>1,128</b>
Resource Room:					
Salaries of Teachers	812,830	(36,823)	776,007	747,248	28,759
Other Salaries for Instruction	173,932	(4,725)	169,207	168,758	449
General Supplies	1,200		1,200	1,174	26
<b>Total Resource Room</b>	<b>987,962</b>	<b>(41,548)</b>	<b>946,414</b>	<b>917,180</b>	<b>29,234</b>
Preschool Disabilities - Part Time:					
Salaries of Teachers	107,878	(4,500)	103,378	97,443	5,935
Other Salaries for Instruction	85,922	(4,081)	81,841	78,368	3,473
General Supplies	900	160	1,060	447	613
Other Objects		42,125	42,125	5,945	36,180
<b>Total Preschool Disabilities</b>	<b>194,700</b>	<b>33,704</b>	<b>228,404</b>	<b>182,203</b>	<b>46,201</b>
<b>TOTAL SPECIAL EDUCATION</b>	<b>1,420,441</b>	<b>(209)</b>	<b>1,420,232</b>	<b>1,343,669</b>	<b>76,563</b>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	285,214	(40,893)	244,321	179,867	64,454
General Supplies	800		800	771	29
<b>Total Basic Skills/Remedial-Instruction</b>	<b>286,014</b>	<b>(40,893)</b>	<b>245,121</b>	<b>180,638</b>	<b>64,483</b>
Bilingual Education-Instruction					
Salaries of Teachers					
<b>Total Bilingual Education-Instruction</b>					
School Sponsored Co-curricular Activities:					
Salaries	22,000	1,628	23,628	23,628	
Supplies and Materials	5,000	(1,628)	3,372	2,094	1,278
Other Objects	3,500		3,500	1,209	2,291
<b>Total School Sponsored Co-curricular Activities</b>	<b>30,500</b>		<b>30,500</b>	<b>26,931</b>	<b>3,569</b>
School Sponsored Athletics:					
Salaries	41,000	(2,000)	39,000	31,646	7,354
Supplies and Materials	3,000	2,000	5,000	3,267	1,733
Other Objects	4,900		4,900	4,600	300
<b>Total School Sponsored Athletics</b>	<b>48,900</b>		<b>48,900</b>	<b>39,513</b>	<b>9,387</b>
<b>Total Instruction</b>	<b>5,290,162</b>	<b>(19,777)</b>	<b>5,270,385</b>	<b>4,908,161</b>	<b>362,224</b>
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	12,000	(7,216)	4,784	4,784	
Tuition - Other LEAs Within the State - Special	20,731	14,684	35,415	35,415	
Tuition - Co Spec Serv and Regional Day Schools	470,000	(42,818)	427,182	427,182	
Tuition to Private Schools for the Disabled Within State	45,500	15,924	61,424	46,063	15,361
Tuition to Private Schools for the Disabled & Other LEA o/s State		73,700	73,700	73,700	
<b>Total Undistributed Expenditures - Instruction</b>	<b>548,231</b>	<b>54,274</b>	<b>602,505</b>	<b>587,144</b>	<b>15,361</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>CURRENT EXPENDITURES: (Continued)</b>					
Health Services:					
Salaries	\$ 168,784	\$ (9,224)	\$ 159,560	\$ 159,279	\$ 281
Purch Prof/ Tech Services	9,000	11,924	20,924	20,923	1
Other Purchased Services	1,335	(250)	1,085	706	379
Supplies and Materials	9,845	(2,450)	7,395	6,251	1,144
<b>Total Health Services</b>	<b>188,964</b>		<b>188,964</b>	<b>187,159</b>	<b>1,805</b>
Speech, OT, PT & Related Services					
Salaries	108,478		108,478	108,478	
Purchased Professional - Educational Services	45,700	(1,540)	44,160	44,158	2
Supplies and Materials	2,500	(756)	1,744	1,076	668
<b>Total Related Services</b>	<b>156,678</b>	<b>(2,296)</b>	<b>154,382</b>	<b>153,712</b>	<b>670</b>
Other Support Services - Students - Extra Services:					
Salaries	106,631	(1,333)	105,298	105,298	
Purchased Prof Ed Services	48,959	50,393	99,352	97,678	1,674
Supplies and Materials	1,700	(1,674)	26	26	
<b>Total Extra Services</b>	<b>157,290</b>	<b>47,386</b>	<b>204,676</b>	<b>203,002</b>	<b>1,674</b>
Guidance:					
Salaries Other Professionals	155,416		155,416	155,416	
Supplies and Materials	2,000	292	2,292	1,322	970
<b>Total Guidance</b>	<b>157,416</b>	<b>292</b>	<b>157,708</b>	<b>156,738</b>	<b>970</b>
Child Study Team					
Salaries of Other Professional Staff	216,573	11,911	228,484	228,484	
Salaries Secr. & Clerical Asst.	33,444		33,444	33,444	
Purchased Professional - Educational Services	18,000	4,125	22,125	21,563	562
Misc Purch Services	1,000	(100)	900	762	138
Supplies and Materials	5,000	(2,820)	2,180	1,388	792
Other Objects	820		820	800	20
<b>Total Child Study Teams</b>	<b>274,837</b>	<b>13,116</b>	<b>287,953</b>	<b>286,441</b>	<b>1,512</b>
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	151,786		151,786	150,929	857
Salaries Secr. & Clerical Asst.	13,327		13,327	13,327	
Purchased Professional and Educational Services	9,926	(1,131)	8,795		8,795
Other Purchased Services	500	(439)	61		61
Supplies and Materials		500	500	499	1
Other Objects	189	1,070	1,259	1,259	
<b>Total Improvement of Instruction Services/Other Support</b>	<b>175,728</b>		<b>175,728</b>	<b>166,014</b>	<b>9,714</b>
Educational Media Services/School Library:					
Salaries	79,508	(2,000)	77,508	74,264	3,244
Salaries of Technology Coordinators	78,200		78,200	74,399	3,801
Purchased Professional and Technical Services	10,580	(2,837)	7,743	5,909	1,834
Other Purchased Services		17,975	17,975	17,131	844
Supplies and Materials	22,975	(22,975)			
<b>Total Educational Media Services/School Library</b>	<b>191,263</b>	<b>(9,837)</b>	<b>181,426</b>	<b>171,703</b>	<b>9,723</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budget</b>	<b>Budget Amendments/ Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>CURRENT EXPENSES: (Continued)</b>					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$	\$			\$
Purchased Professional and Educational Services	5,000		5,000	750	4,250
Supplies and Materials	15,405	(5,000)	10,405	2,914	7,491
<b>Total Inst. Staff Training Services</b>	<b>20,405</b>	<b>(5,000)</b>	<b>15,405</b>	<b>3,664</b>	<b>11,741</b>
Support Services General Administration:					
Salaries	191,631	20,000	211,631	191,631	20,000
Legal Services	30,000	(3,500)	26,500	5,680	20,820
Audit Fees	18,500		18,500	18,130	370
Architectural/Engineering Services	4,000		4,000		4,000
Other Purchased Professional Services	4,200		4,200	3,925	275
Communication/Telephone	65,000	18,666	83,666	76,497	7,169
BOE Other Purchased Prof. Services	3,535	40	3,575	3,565	10
Other Purchased Services	86,121	8,764	94,885	93,346	1,539
General Supplies	4,500	306	4,806	4,806	
Miscellaneous Expenditures	2,350	140	2,490	2,483	7
BOE Membership Dues and Fees	7,600	(640)	6,960	6,285	675
<b>Total Support Services General Administration</b>	<b>417,437</b>	<b>43,776</b>	<b>461,213</b>	<b>406,348</b>	<b>54,865</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	210,478	20,000	230,478	209,036	21,442
Salaries of Secretarial and Clerical Assistants	137,554	(156)	137,398	131,309	6,089
Other Purchased Services	11,122	1,099	12,221	10,976	1,245
Supplies and Materials	7,000	456	7,456	5,686	1,770
Other Objects	3,500	(300)	3,200	2,980	220
<b>Total Support Services School Administration</b>	<b>369,654</b>	<b>21,099</b>	<b>390,753</b>	<b>359,987</b>	<b>30,766</b>
Central Services:					
Salaries	195,637	15,000	210,637	181,013	29,624
Purchased Professional Services	5,654	(1,595)	4,059		4,059
Purchased Technical Services	2,795	6,229	9,024	4,345	4,679
Miscellaneous Purchased Services	300	(261)	39	27	12
Supplies and Materials	5,000	94	5,094	5,094	
Interest on Bond Anticipation Notes (BANs)	10,100		10,100		10,100
Miscellaneous Expenditures	1,465	549	2,014	2,004	10
<b>Total Central Services</b>	<b>220,951</b>	<b>20,016</b>	<b>240,967</b>	<b>192,483</b>	<b>48,484</b>
Admin. Info. Technology:					
Salaries	22,000	(1,175)	20,825		20,825
Purchased Technical Services	8,000	2,537	10,537	10,535	2
Other Purchased Services	1,994	(1,362)	632	451	181
Supplies and Materials	1,700		1,700	732	968
<b>Total Admin. Info. Technology</b>	<b>33,694</b>		<b>33,694</b>	<b>11,718</b>	<b>21,976</b>
Required Maintenance for School Facilities:					
Salaries	52,956	(6,791)	46,165	46,165	
Cleaning, Repair and Maintenance Services	18,580	45,327	63,907	29,500	34,407
General Supplies	35,000	27,517	62,517	54,960	7,557
Other Objects	500	(500)			
<b>Total Required Maintenance for School Facilities</b>	<b>107,036</b>	<b>65,553</b>	<b>172,589</b>	<b>130,625</b>	<b>41,964</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 303,000	\$ 14,358	\$ 317,358	\$ 317,358	\$ -
Salaries of Non-Instructional Aides	105,000	(41,282)	63,718	63,162	556
Purchased Prof & Tech Services	6,990	(5,703)	1,287	1,287	
Cleaning, Repair and Maintenance Services	10,700	(2,771)	7,929	6,986	943
Other Purchased Property Services	55,000	(6,892)	48,108	46,109	1,999
Insurance	6,727	742	7,469	7,469	
Miscellaneous Purchased Services	1,034	(700)	334	150	184
General Supplies	42,719	34,672	77,391	77,391	
Energy (Natural Gas)	107,000	(42,535)	64,465	28,305	36,160
Energy (Electricity)	242,194	(63,863)	178,331	151,597	26,734
Other Objects	300		300	185	115
<b>Total Other Operation and Maintenance of Plant - Custodial</b>	<b>880,664</b>	<b>(113,974)</b>	<b>766,690</b>	<b>699,999</b>	<b>66,691</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>987,700</b>	<b>(48,421)</b>	<b>939,279</b>	<b>830,624</b>	<b>108,655</b>
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	17,550	15,789	33,339	10,862	22,477
General Supplies	8,700	6,329	15,029	2,768	12,261
<b>Total Care &amp; Upkeep of Grounds</b>	<b>26,250</b>	<b>22,118</b>	<b>48,368</b>	<b>13,630</b>	<b>34,738</b>
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	10,000	2,881	12,881	12,881	
General Supplies	37,668	(30,742)	6,926	5,791	1,135
<b>Total Security</b>	<b>47,668</b>	<b>(27,861)</b>	<b>19,807</b>	<b>18,672</b>	<b>1,135</b>
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	6,500	1,499	7,999	7,999	
Salaries Pupil Trans (Bet Home/School) - Regular	13,327	39,000	52,327	47,571	4,756
Contracted Services (Bet Home/School) - Vendor	56,000	(30,440)	25,560	25,190	370
Contracted Services (Not Bet Home/School) - Vendors	17,525		17,525	14,680	2,845
Contracted Services (Sp. Ed. Stds.) - Vendors	94,000	(10,818)	83,182	76,403	6,779
Contracted Services (Reg Students) - ESCs & CTSA	1,000	(700)	300	300	300
Contracted Services (Special Ed. Students) - ESCs & CTSA	120,000	28,492	148,492	148,485	7
Contracted Services - Aid in Lieu of Payments - Nonpublic	15,000	(3,356)	11,644	11,492	152
Rental Payments - School Busses		500	500	500	
Other Purch. Prof. & Tech Serv.	1,000	823	1,823	1,823	
<b>Total Student Transportation Services</b>	<b>324,352</b>	<b>25,000</b>	<b>349,352</b>	<b>334,143</b>	<b>15,209</b>
Unallocated Employee Benefits:					
Social Security Contributions	142,000	3,453	145,453	145,453	
Other Retirement Contributions	146,000	25,913	171,913	171,913	
Unemployment Compensation	54,100	(16,452)	37,648		37,648
Workers Compensation	111,000	(1,613)	109,387	103,511	5,876
Health Benefits	2,373,130	(47,204)	2,325,926	1,918,109	407,817
Tuition Reimbursement	24,000	1,613	25,613	25,513	100
Other Employee Benefits	50,000	(15,913)	34,087	15,291	18,796
<b>Total Unallocated Employee Benefits</b>	<b>2,900,230</b>	<b>(50,203)</b>	<b>2,850,027</b>	<b>2,379,790</b>	<b>470,237</b>
On-behalf TPAF Pension Contribution				394,645	(394,645)
On-behalf TPAF Post Retirement Medical Contribution				469,912	(469,912)
Reimbursement TPAF Social Security				395,445	(395,445)
<b>Total Personal Services - Employee Benefits</b>	<b>2,900,230</b>	<b>(50,203)</b>	<b>2,850,027</b>	<b>3,639,792</b>	<b>(789,765)</b>
<b>Total Undistributed Expenditures</b>	<b>7,198,748</b>	<b>103,459</b>	<b>7,302,207</b>	<b>7,722,974</b>	<b>(420,767)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>12,488,910</b>	<b>83,682</b>	<b>12,572,592</b>	<b>12,631,135</b>	<b>(58,543)</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Increase in Capital Reserve	\$	\$ -	\$	\$	\$
<hr/>					
Undistributed Expenditures:					
Instructional:					
School Sponsored and Other Instructional programs		2,400	2,400	2,400	
Support Services - Related & Extraordinary					
Undistributed Expenditures - Required Maint for School Fac		13,213	13,213	13,213	
Total Equipment		15,613	15,613	15,613	
<hr/>					
Facilities Acquisition - Construction Services:					
Total Facilities Acquisition and Construction Services					
<hr/>					
<b>TOTAL CAPITAL OUTLAY</b>		15,613	15,613	15,613	
<hr/>					
<b>TOTAL EXPENDITURES</b>	12,488,910	99,295	12,588,205	12,646,748	(58,543)
<hr/>					
Excess (Deficiency) of Revenues and Other					
Over (Under) Expenditures	(707,508)	(17,376)	(724,884)	682,966	1,407,850
<hr/>					
Other Financing Sources (Uses):					
Operating Transfer out - Food Service Fund	(25,000)		(25,000)		25,000
Transfer from Capital Projects Fund	(1,493,409)		(1,493,409)	(1,493,409)	
Transfer to Charter School	(9,014)	(9,013)	(18,027)	(18,027)	
Total Other Financing Sources	(1,527,423)	(9,013)	(1,536,436)	(1,511,436)	25,000
<hr/>					
Excess (Deficiency) of Revenues and Other					
Financing Sources Over (Under) Expenditures					
and Other Financing Uses	(2,234,931)	(26,389)	(2,261,320)	(828,470)	1,432,850
Fund Balances, July 1	4,339,554		4,339,554	4,339,554	
Fund Balances, June 30	\$ 2,104,623	\$ (26,389)	\$ 2,078,234	\$ 3,511,084	\$ 1,432,850
<hr/>					
<b><u>RECAPITULATION:</u></b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus				\$ 803,460	
Excess Surplus - Designated for Subsequent Year's Expenditures				666,782	
Maintenance Reserve				700,000	
Capital Reserve				877,485	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				110,360	
Designated for Subsequent Year's Expenditures				53,512	
<b>Unassigned Fund Balance</b>				299,485	
				<hr/>	
				3,511,084	
<hr/>					
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(451,438)	
Fund Balance per Governmental Funds (GAAP)				<hr/>	
				\$ 3,059,646	
				<hr/>	

**RUNNEMEDE BOARD OF EDUCATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources	\$ 20,966	\$ (15,000)	\$ 5,966	\$ 965	\$ 5,001
Federal Sources	387,929	(208,701)	179,228	479,442	(300,214)
State Sources	130,704	395,399	526,103	135,017	391,086
<b>Total Revenues</b>	<b>539,599</b>	<b>171,698</b>	<b>711,297</b>	<b>615,424</b>	<b>95,873</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	288,337	(167,165)	121,172	98,846	22,326
Purchased Prof/Tech Services		45,331	45,331	42,571	2,760
Other Purchased Services	16,599	201,879	218,478	218,478	
General Supplies	74,884	(39,668)	35,216	20,039	15,177
Textbooks	9,427	166	9,593	8,951	642
Other Objects	15,000	(15,000)			
<b>Total Instruction</b>	<b>404,247</b>	<b>25,543</b>	<b>429,790</b>	<b>388,885</b>	<b>40,905</b>
<b>Support Services</b>					
Purchased Professional & Technical Services - Other	35,705	75,791	111,496	103,780	7,716
Other Purchased Services	99,647	65,412	165,059	117,807	47,252
General Supplies		752	752	752	
Other Objects		4,200	4,200	4,200	
<b>Total Support Services</b>	<b>135,352</b>	<b>146,155</b>	<b>281,507</b>	<b>226,539</b>	<b>54,968</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<b>539,599</b>	<b>171,698</b>	<b>711,297</b>	<b>615,424</b>	<b>95,873</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>539,599</b>	<b>171,698</b>	<b>711,297</b>	<b>615,424</b>	<b>95,873</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**RUNNEMEDE BOARD OF EDUCATION**  
**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
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 13,329,714	[C-2] \$ 615,424
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year	
	Current Year	
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	462,683	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(451,438)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 13,340,959	[B-2] \$ 615,424
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 12,646,748	[C-2] \$ 615,424
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 12,646,748	[B-2] \$ 615,424



**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

**SCHEDULE L-1**

**RUNNEMEDE BOARD OF EDUCATION  
Schedules of Required Supplementary Information  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Public Employee's Retirement System**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.017643%	0.016190%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,960,435	\$ 3,031,301
District's Covered-Employee Payroll	\$ 1,381,733	\$ 1,233,319
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	286.63%	245.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%

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

**SCHEDULE L-2**

**RUNNEMEDE BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS**

**Public Employee's Retirement System**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 151,680	133,472
Contributions in Relation to the Contractually Required Contribution	(151,680)	(133,472)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,381,733	1,233,319
Contributions as a Percentage of Covered-Employee Payroll	10.98%	10.82%

**RUNNEMEDE BOARD OF EDUCATION**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**

**Teachers Pension Plan**

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.053573%	0.053724%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 33,860,278	28,713,546
District's Covered-Employee Payroll	\$ 5,029,343	5,183,302
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	673.25%	553.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

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

**RUNNEMEDE BOARD OF EDUCATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS**

**Teachers' Pension Plan**

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

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

**NOTES TO THE REQUIRED SUPPLEMENTARY  
INFORMATION PART III**

**RUNNEMEDE BOARD OF EDUCATION**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
Pension Schedules**

For the Fiscal Year Ended June 30, 2016

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

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

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

**Public Employees' Retirement System (PERS)**

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

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

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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



**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	NCLB				I.D.E.A. - Part B			Sub-Total Per E-1 (2)	Totals	
	Title I Part A 2015-16	Title I Part A 2014-15	Title II Part A 2015-16	Title II Part A 2014-15	Basic 2015-16	Preschool 2015-16	2016		2015	
<b>REVENUES:</b>										
Federal Sources	\$ 139,742	\$ 14,096	\$ 39,431	\$ 6,398	\$ 264,630	\$ 3,358	\$ 11,787	\$ -	\$ 479,442	\$ 498,134
State Sources								135,017	135,017	121,517
Other								965	965	4,310
<b>Total Revenues</b>	<b>139,742</b>	<b>14,096</b>	<b>39,431</b>	<b>6,398</b>	<b>264,630</b>	<b>3,358</b>	<b>11,787</b>	<b>135,982</b>	<b>615,424</b>	<b>623,961</b>
<b>EXPENDITURES:</b>										
Instruction:										
Salaries of Teachers	85,484	13,362							98,846	105,543
Purchased Prof/Tech Services	5,146				37,425				42,571	13,356
Other Purchased Services					200,000	3,358		15,120	218,478	212,952
General Supplies	12,231	734					1,802	5,272	20,039	33,769
Textbooks								8,951	8,951	10,350
Other Objects										777
<b>Total Instruction</b>	<b>102,861</b>	<b>14,096</b>			<b>237,425</b>	<b>3,358</b>	<b>1,802</b>	<b>29,343</b>	<b>388,885</b>	<b>376,747</b>
Support Services:										
Purchased Prof/Tech Services	36,881		27,043	2,666	27,205		9,985		103,780	137,911
Other Purchased Services			12,388	2,980				102,439	117,807	107,903
General Supplies				752					752	1,400
Other Objects								4,200	4,200	
<b>Total Support Services</b>	<b>36,881</b>		<b>39,431</b>	<b>6,398</b>	<b>27,205</b>		<b>9,985</b>	<b>106,639</b>	<b>226,539</b>	<b>247,214</b>
Facilities Acquisition/Construction:										
Construction Services										
Instructional Equipment										
<b>Total Facilities Acquisition/Construction</b>										
<b>Total Expenditures</b>	<b>\$ 139,742</b>	<b>\$ 14,096</b>	<b>\$ 39,431</b>	<b>\$ 6,398</b>	<b>\$ 264,630</b>	<b>\$ 3,358</b>	<b>\$ 11,787</b>	<b>\$ 135,982</b>	<b>\$ 615,424</b>	<b>\$ 623,961</b>

**RUNNEMEDE BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	Non-Public											
	Textbook Aid	Nursing Aid	Technology Aid	Security Aid	Chapter 192		Chapter 193			Music Association	Municipal Alliance	Totals
					Compensatory Education	Transportation	Corrective Speech	Examination and Classification	Supplemental Instructional Aid			
<b>REVENUES:</b>												
Federal Sources												\$ -
State Sources	\$ 8,951	\$15,120	\$ 4,307	\$ 4,200	\$ 51,311	\$ 3,800	\$ 8,026	\$ 23,858	\$ 15,444			135,017
Other										\$ 74	\$ 891	965
<b>Total Revenues</b>	<b>8,951</b>	<b>15,120</b>	<b>4,307</b>	<b>4,200</b>	<b>51,311</b>	<b>3,800</b>	<b>8,026</b>	<b>23,858</b>	<b>15,444</b>	<b>74</b>	<b>891</b>	<b>135,982</b>
<b>EXPENDITURES:</b>												
Instruction:												
Other Purchased Services		15,120										15,120
General Supplies			4,307							74	891	5,272
Textbooks	8,951											8,951
<b>Total Instruction</b>	<b>8,951</b>	<b>15,120</b>	<b>4,307</b>							<b>74</b>	<b>891</b>	<b>29,343</b>
Support Services:												
Other Purchased Services					51,311	3,800	8,026	23,858	15,444			102,439
Other Objects				4,200								4,200
<b>Total Support Services</b>				<b>4,200</b>	<b>51,311</b>	<b>3,800</b>	<b>8,026</b>	<b>23,858</b>	<b>15,444</b>			<b>106,639</b>
Facilities Acquisition/Construction:												
Instructional Equipment												
<b>Total Facilities Acquisition/Construction</b>												
<b>Total Expenditures</b>	<b>\$ 8,951</b>	<b>\$15,120</b>	<b>\$ 4,307</b>	<b>\$ 4,200</b>	<b>\$ 51,311</b>	<b>\$ 3,800</b>	<b>\$ 8,026</b>	<b>\$ 23,858</b>	<b>\$ 15,444</b>	<b>\$ 74</b>	<b>\$ 891</b>	<b>\$ 135,982</b>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**EXHIBIT F-1**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b><u>Project Title/Issue</u></b>	<b><u>Original Date</u></b>	<b><u>Appropriations</u></b>	<b><u>Expenditures to Date</u></b>		<b><u>Unexpended Balance June 30, 2016</u></b>
			<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	
School Windows, Roof and Other Exterior Replacement:					
Bingham School	1/6/14	\$ 738,750	\$	\$ 663,664	\$ 75,086
Downing School	2/24/14	360,000		360,000	
Mary E. Volz School	2/24/14	2,286,812		2,105,522	181,290
		<u>\$ 3,385,562</u>	<u>\$</u>	<u>\$ 3,129,186</u>	<u>\$ 256,376</u>
Designated Fund Balance		\$	\$	\$	113,090
Unearned State Aid					143,286
Expended				2,900,004	
Encumbered				229,182	
State Share		1,892,153			
Local Share		1,493,409			
		<u>\$ 3,385,562</u>	<u>\$</u>	<u>\$ 3,129,186</u>	<u>\$ 256,376</u>

**EXHIBIT F-2**

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Revenues and Other Financing**

**Sources**

State Sources - SDA Grant	\$	1,748,867
Transfer from Capital Reserve Funds		1,493,409
Interest		

Total Revenues 3,242,276

**Expenditures and Other Financing Uses**

Architectural Costs		231,792
Construction Services		2,668,212

Total Expenditures 2,900,004

Excess (Deficiency) of Revenues Over (Under) Expenditures 342,272

Fund Balance - Beginning

Fund Balance - Ending \$ 342,272

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**BINGHAM SCHOOL MASONRY RESTORATION, EXTERIOR DOOR AND WINDOW REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$	\$ 412,879	\$ 412,879	\$ 412,879
Transfer from Capital Reserve Funds		325,871	325,871	325,871
<b>Total Revenues</b>		<b>738,750</b>	<b>738,750</b>	<b>738,750</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs		49,160	49,160	51,713
Construction Services		614,504	614,504	687,038
<b>Total Expenditures</b>		<b>663,664</b>	<b>663,664</b>	<b>738,750</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$</b>	<b>\$ 75,086</b>	<b>\$ 75,086</b>	<b>\$</b>

**Additional Project Information:**

Project Number - DOE	4590-020-14-1001
Project Number - SDA	4590-020-14-GINF
Grant Date/Letter of Notification	1/6/2014
Grant Number	G5-5089
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$738,750
Additional Authorized Cost	N/A
Revised Authorized Cost	\$738,750
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**DOWNING SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$	\$ 201,200	\$ 201,200	\$ 201,200
Transfer from Capital Reserve Funds		158,800	158,800	158,800
<b>Total Revenues</b>		<b>360,000</b>	<b>360,000</b>	<b>360,000</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs		26,667	26,667	26,667
Construction Services		333,333	333,333	333,333
<b>Total Expenditures</b>		<b>360,000</b>	<b>360,000</b>	<b>360,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Additional Project Information:**

DOE Project Number	4590-030-14-1002
SDA Project Number	4590-030-14-G3EX
Grant Number	G5-6225
Grant Date/Letter of Notification	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$360,000
Additional Authorized Cost	N/A
Revised Authorized Cost	\$360,000
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016

**RUNNEMEDE BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES**  
**PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS**  
**MARY E. VOLZ SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$	\$ 1,176,753	\$ 1,176,753	\$ 1,278,074
Transfer from Capital Reserve Funds		928,769	928,769	1,008,738
<b>Total Revenues</b>		<b>2,105,522</b>	<b>2,105,522</b>	<b>2,286,812</b>
<b>Expenditures and Other Financing Uses</b>				
Architectural Costs		155,965	155,965	169,394
Construction Services		1,768,267	1,768,267	2,117,418
<b>Total Expenditures</b>		<b>1,924,232</b>	<b>1,924,232</b>	<b>2,286,812</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 181,290	\$ 181,290	\$

**Additional project information:**

DOE Project Number	4590-040-14-1003
SDA Project Number	4590-040-14-G3EY
Grant Number	G5-6226
Grant Date/Letter of Notification	2/24/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$2,286,812
Additional Authorized Cost	N/A
Revised Authorized Cost	\$2,286,812
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2015
Revised Target Completion Date	3/29/2016



**OTHER SUPPLEMENTARY INFORMATION**

## **PROPRIETARY FUND DETAIL STATEMENTS**

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

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

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2016 AND 2015**

	Food Service Enterprise Fund	Totals	
		2016	2015
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 114,375	\$ 114,375	\$ 47,349
Accounts Receivable:			
State	439	439	213
Federal	32,170	32,170	8,081
Other	1,879	1,879	645
Inventory	1,108	1,108	276
Total Current Assets	<u>149,971</u>	<u>149,971</u>	<u>56,564</u>
Fixed Assets:			
Equipment	16,797	16,797	14,597
Accumulated Depreciation	(10,122)	(10,122)	(9,296)
Total Fixed Assets	<u>6,675</u>	<u>6,675</u>	<u>5,301</u>
Total Assets	<u>156,646</u>	<u>156,646</u>	<u>61,865</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable			945
Interfund Payable	23,762	23,762	395
Unearned Revenue	3,298	3,298	3,166
Total Current Liabilities	<u>27,060</u>	<u>27,060</u>	<u>4,506</u>
<b>NET POSITION:</b>			
Invested in Capital Assets Net of Related Debt	6,675	6,675	5,301
Unrestricted	122,911	122,911	52,058
Total Net Position	<u>\$ 129,586</u>	<u>\$ 129,586</u>	<u>\$ 57,359</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**AS OF JUNE 30, 2016 AND 2015**

	Food Service Enterprise Fund	Totals	
		2016	2015
<b>OPERATING REVENUES:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 56,289	\$ 56,289	\$ 47,114
School Breakfast Program	2,005	2,005	952
Total Daily Sales - Reimbursable Programs	58,294	58,294	48,066
Daily Sales Non-Reimbursable Programs	50,896	50,896	44,040
Total Operating Revenue	109,190	109,190	92,106
<b>OPERATING EXPENSES:</b>			
Salaries	66,322	66,322	62,522
Employee Benefits	9,367	9,367	8,808
Supplies and Materials	634	634	1,283
Cost of Sales	153,428	153,428	142,451
Depreciation	826	826	863
Management Fee	5,000	5,000	5,000
Total Operating Expenses	235,577	235,577	220,927
Operating Income (Loss)	(126,387)	(126,387)	(128,821)
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	2,697	2,697	2,623
Federal Sources:			
School Breakfast Program	73,483	73,483	28,668
National School Lunch Program	115,272	115,272	106,642
Food Distribution Program	7,154	7,154	13,669
Interest	8	8	4
Total Non-Operating Revenues	198,614	198,614	151,606
Net Income before Operating Transfers	72,227	72,227	22,785
Operating Transfer In (Out)			25,000
Net Income	72,227	72,227	47,785
Net Position - July 1	57,359	57,359	9,574
Net Position - June 30	\$ 129,586	\$ 129,586	\$ 57,359

**RUNNEMEDE BOARD OF EDUCATION**  
**ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2016 AND 2015**

	Food Service Enterprise Fund	Totals	
		2016	2015
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 109,190	\$ 109,190	\$ 92,106
Payments to Employees	(66,322)	(66,322)	(62,522)
Payments for Employee Benefits	(9,367)	(9,367)	(8,808)
Payments to Suppliers	(155,735)	(155,735)	(118,522)
Net Cash Provided by (Used for) Operating Activities	(122,234)	(122,234)	(97,746)
<b>Cash Flows from Non-Capital Financing Activities</b>			
State Sources	2,697	2,697	2,623
Federal Sources	188,755	188,755	135,310
Operating Subsidies and Transfers to Other Funds			25,000
Net Cash Provided by (Used for) Operating Activities	191,452	191,452	162,933
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of Capital Assets	(2,200)	(2,200)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,200)	(2,200)	
<b>Cash Flows from Investing Activities</b>			
Interest and Dividends	8	8	4
Net Cash Provided by (Used for) Investing Activities	8	8	4
Net Increase (Decrease) in Cash and Cash Equivalents	67,026	67,026	65,191
Balances - Beginning of Year	47,349	47,349	(17,842)
Balances - End of Year	\$ 114,375	\$ 114,375	\$ 47,349
<b>Operating Income (Loss)</b>			
Operating Income (Loss)	\$ (126,387)	\$ (126,387)	\$ (128,821)
<b>Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:</b>			
Depreciation	826	826	863
Food Distribution Program	7,154	7,154	13,669
<b>Change in Assets and Liabilities:</b>			
(Increase)/Decrease in Accounts Receivable	(25,549)	(25,549)	14,770
(Increase)/Decrease in Inventory	(832)	(832)	(58)
Increase/(Decrease) in Accounts Payable	(945)	(945)	945
Increase/(Decrease) in Interfund Payable	23,367	23,367	
Increase/(Decrease) in Unearned Revenue	132	132	886
Total Adjustments	4,153	4,153	31,075
Net Cash Used by Operating Activities	\$ (122,234)	\$ (122,234)	\$ (97,746)

**INTERNAL SERVICE FUND**

RUNNEMEDE BOARD OF EDUCATION  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>IT Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Information Technology Services	\$ 9,015
	<hr/>
Total Operating Revenue	9,015
	<hr/>
OPERATING EXPENSES:	
Salaries	6,667
Supplies	2,348
	<hr/>
Total Operating Expenses	9,015
	<hr/>
Change in Net Position	
	<hr/>
Net Position - July 1	
	<hr/>
Net Position - June 30	\$ -
	<hr/> <hr/>

**RUNNEMEDE BOARD OF EDUCATION**  
**INTERNAL SERVICE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Food Service Enterprise Fund</u></b>
Cash Flows from Operating Activities:	
Receipts from Customers	9,015
Payments to Employees	(6,667)
Payments to Suppliers	(2,348)
Net Cash Provided by (Used for) Operating Activities	<u>0</u>
Cash Flows from Non-Capital Financing Activities	
Operating Subsidies and Transfers to Other Funds	
Net Cash Provided by (Used for) Operating Activities	<u>                    </u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>                    </u>
Cash Flows from Investing Activities	
Interest and Dividends	
Net Cash Provided by (Used for) Investing Activities	<u><u>0</u></u>



## FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

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

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

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the School District.

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)**

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Trust</u>		<u>Student</u>		<u>2016</u>	<u>2015</u>
	<u>Unemployment</u>		<u>Activity</u>	<u>Payroll</u>		
	<u>Compensation</u>				<u>2016</u>	<u>2015</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 73,995	\$	11,810	\$ 139,939	\$ 225,744	\$ 147,598
Cash with Fiscal Agent				10,671	10,671	2,487
Due from Payroll Agency Account	6,599				6,599	6,386
Total Assets	<u>\$ 80,594</u>	\$	<u>11,810</u>	\$ <u>150,610</u>	<u>\$ 243,014</u>	<u>\$ 156,471</u>
<b>LIABILITIES AND NET POSITION:</b>						
Liabilities:						
Payroll Deductions and Withholdings	\$	\$		\$ 69,156	\$ 69,156	\$ 55,583
Due to Unemployment Account				6,599	6,599	6,386
Due to General Fund				67,084	67,084	2,000
Flexible Spending Reserve				7,771	7,771	487
Accounts Payable	1,941				1,941	1,878
Due to Student Groups			11,810		11,810	19,321
Total Liabilities	<u>1,941</u>		<u>11,810</u>	<u>150,610</u>	<u>164,361</u>	<u>85,655</u>
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	78,653				78,653	70,816
	<u>78,653</u>				<u>78,653</u>	<u>70,816</u>
Total Liabilities and Net Position	<u>\$ 80,594</u>	\$	<u>11,810</u>	\$ <u>150,610</u>	<u>\$ 243,014</u>	<u>\$ 156,471</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**FIDUCIARY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2016 AND 2015**

	<u>Expendable Trust</u>		
	<u>Unemployment</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>2016</u>	<u>2015</u>
<b>ADDITIONS:</b>			
Employee Deductions	\$ 19,350	\$ 19,350	\$ 24,283
Interest on Investments	36	36	29
Total Additions	<u>19,386</u>	<u>19,386</u>	<u>24,312</u>
<b>DEDUCTIONS:</b>			
Unemployment Compensation Claims	<u>11,549</u>	<u>11,549</u>	<u>18,432</u>
Total Deductions	<u>11,549</u>	<u>11,549</u>	<u>18,432</u>
Change in Net Position	7,837	7,837	5,880
Net Position - Beginning of the Year	<u>70,816</u>	<u>70,816</u>	<u>64,936</u>
Net Position - End of the Year	<u>\$ 78,653</u>	<u>\$ 78,653</u>	<u>\$ 70,816</u>

**RUNNEMEDE BOARD OF EDUCATION**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Balance</u> <u>July 1,</u> <u>2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/16</u>	<u>Balance</u> <u>June 30,</u> <u>2016</u>
<b>ELEMENTARY SCHOOLS</b>					
Bingham School	\$ 3,550	\$ 7,096	\$ 7,476	\$	\$ 3,170
Downing School	5,321	6,879	7,284		4,916
Volz School	10,450	32,638	39,364		3,724
<b>TOTAL ALL SCHOOLS</b>	<u>\$ 19,321</u>	<u>\$ 46,613</u>	<u>\$ 54,124</u>	<u>\$</u>	<u>\$ 11,810</u>

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

	<u>Balance</u> <u>7/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/16</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 61,969	\$ 8,833,851	\$ 8,755,881	\$ 139,939
Cash with Fiscal Agent	2,487	10,891	2,707	10,671
Total Assets	<u>\$ 64,456</u>	<u>\$ 8,844,742</u>	<u>\$ 8,758,588</u>	<u>\$ 150,610</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 4,495,744	\$ 4,495,744	\$
Payroll Deductions and Withholdings	55,583	4,273,710	4,260,137	69,156
Due to Unemployment Trust Account	6,386	213		6,599
Due to General Fund	2,000	65,084		67,084
Flexible Spending Reserve	487	9,991	2,707	7,771
Total Liabilities	<u>\$ 64,456</u>	<u>\$ 8,844,742</u>	<u>\$ 8,758,588</u>	<u>\$ 150,610</u>

## **LONG-TERM DEBT SCHEDULES**

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

**STATISTICAL SECTION**

**RUNNEMEDE SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(UNAUDITED)**

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217	\$ 3,226,844	\$ 3,604,197	\$ 3,473,772	\$ 6,191,760
Restricted	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871
Unrestricted	(404,700)	(733,844)	(814,701)	(1,322,095)	(565,718)	(449,818)	(525,195)	(570,933)	(3,377,588)	(3,605,300)
<b>Total Governmental Activities Net Position</b>	<b>\$ 1,829,882</b>	<b>\$ 2,160,241</b>	<b>\$ 2,471,435</b>	<b>\$ 2,093,634</b>	<b>\$ 3,078,448</b>	<b>\$ 4,399,393</b>	<b>\$ 5,126,060</b>	<b>\$ 6,188,096</b>	<b>\$ 4,101,295</b>	<b>\$ 6,140,331</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$	\$ 6,686	\$ 5,944	\$ 7,974	\$ 7,001	\$ 6,164	\$ 5,301	\$ 6,675
Restricted										
Unrestricted	25,066	15,167	14,764	5,637	34,843	32,868	41,041	3,410	52,058	122,911
<b>Total Business-Type Activities Net Position</b>	<b>\$ 25,066</b>	<b>\$ 15,167</b>	<b>\$ 14,764</b>	<b>\$ 12,323</b>	<b>\$ 40,787</b>	<b>\$ 40,842</b>	<b>\$ 48,042</b>	<b>\$ 9,574</b>	<b>\$ 57,359</b>	<b>\$ 129,586</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191	\$ 3,233,845	\$ 3,610,361	\$ 3,479,073	\$ 6,198,435
Restricted	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871
Unrestricted	(379,634)	(718,677)	(799,937)	(1,316,458)	(530,875)	(416,950)	(484,154)	(567,523)	(3,325,530)	(3,482,389)
<b>Total District-Wide Net Position</b>	<b>\$ 1,854,948</b>	<b>\$ 2,175,408</b>	<b>\$ 2,486,199</b>	<b>\$ 2,105,957</b>	<b>\$ 3,119,235</b>	<b>\$ 4,440,235</b>	<b>\$ 5,174,102</b>	<b>\$ 6,197,670</b>	<b>\$ 4,158,654</b>	<b>\$ 6,269,917</b>

Source: CAFR Schedule A-1



**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (Accrual Basis of Accounting)  
 (UNAUDITED)

	For Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses:</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 4,213,381	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	\$ 3,770,924	\$ 3,770,924	\$ 3,652,476	\$ 3,723,081
Special Education	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,205,619	1,253,654	1,343,669
Other Instruction	89,831	59,976	258,381	420,505	241,756	208,999	215,467	215,467	307,713	247,082
<b>Support Services</b>										
Tuition	573,951	441,169	661,784	778,809	943,713	605,307	569,265	569,265	413,871	587,144
Student and Instruction Related Serv.	978,878	1,166,284	1,122,611	1,260,296	1,285,066	1,329,739	1,380,450	1,380,450	1,575,472	1,563,987
General and Business Admin. Services	477,783	508,027	609,082	663,529	659,175	568,737	607,624	607,624	551,467	634,012
School Administrative Services	327,882	337,578	360,545	353,592	327,567	339,475	350,477	350,477	356,589	359,987
Plant Operations and Maintenance	906,891	932,759	791,949	834,331	652,554	708,219	653,349	653,349	878,185	862,926
Pupil Transportation	380,987	364,979	447,094	394,595	294,088	226,354	264,384	264,384	311,425	334,143
Unallocated Employee Benefits	2,849,491	2,930,512	2,515,630	3,233,570	2,469,749	3,012,067	3,234,907	3,234,907	4,544,444	5,516,621
Amortization of Debt Issue Costs			2,349	2,349	2,349	2,349				
Interest on Long-Term Debt	69,494	57,962	44,941	34,998	22,267	9,303				
Unallocated Depreciation	8,774	7,725	5,405	5,613	5,710	79,622	118,484	118,484	163,077	157,380
<b>Total Governmental Activities Expenses</b>	<b>11,732,339</b>	<b>7,592,497</b>	<b>11,581,584</b>	<b>12,972,479</b>	<b>11,555,000</b>	<b>11,796,005</b>	<b>12,370,950</b>	<b>12,370,950</b>	<b>14,008,373</b>	<b>15,330,032</b>
<b>Business-Type Activities</b>										
<b>Food Service</b>										
	146,534	157,688	230,333	228,624	206,088	245,745	238,344	257,015	220,927	235,577
<b>Total Business-Type Activities Expense</b>	<b>146,534</b>	<b>157,688</b>	<b>230,333</b>	<b>228,624</b>	<b>206,088</b>	<b>245,745</b>	<b>238,344</b>	<b>257,015</b>	<b>220,927</b>	<b>235,577</b>
<b>Total District Expenses</b>	<b>\$ 11,878,873</b>	<b>\$ 7,750,185</b>	<b>\$ 11,811,917</b>	<b>\$ 13,201,103</b>	<b>\$ 11,761,088</b>	<b>\$ 12,041,750</b>	<b>\$ 12,609,294</b>	<b>\$ 12,627,965</b>	<b>\$ 14,229,300</b>	<b>\$ 15,565,609</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Operating Grants and Contributions</b>										
	\$ 2,043,957	\$ 2,104,015	\$ 1,251,335	\$ 1,554,471	\$ 1,406,306	\$ 1,480,710	\$ 1,695,295	\$ 1,356,237	\$ 1,482,350	\$ 1,480,781
<b>Total Gov't Activities Program Rev.</b>	<b>2,043,957</b>	<b>2,104,015</b>	<b>1,251,335</b>	<b>1,554,471</b>	<b>1,406,306</b>	<b>1,480,710</b>	<b>1,695,295</b>	<b>1,356,237</b>	<b>1,482,350</b>	<b>1,480,781</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	52,926	55,831	62,437	79,625	76,222	73,929	73,395	73,166	92,106	109,190
Operating Grants and Contributions	60,643	63,349	84,031	99,527	114,114	124,896	133,795	121,877	151,602	198,606
<b>Total Bus.-Type Activities Prog. Rev.</b>	<b>113,569</b>	<b>119,180</b>	<b>146,468</b>	<b>179,152</b>	<b>190,336</b>	<b>198,825</b>	<b>207,190</b>	<b>195,043</b>	<b>243,708</b>	<b>307,796</b>
<b>Total District Program Revenues</b>	<b>\$ 2,157,526</b>	<b>\$ 2,223,195</b>	<b>\$ 1,397,803</b>	<b>\$ 1,733,623</b>	<b>\$ 1,596,642</b>	<b>\$ 1,679,535</b>	<b>\$ 1,902,485</b>	<b>\$ 1,551,280</b>	<b>\$ 1,726,058</b>	<b>\$ 1,788,577</b>
<b>Net (Expense)/Revenue</b>	<b>\$ (9,688,382)</b>	<b>\$ (5,488,482)</b>	<b>\$ (10,330,249)</b>	<b>\$ (11,418,008)</b>	<b>\$ (10,148,694)</b>	<b>\$ (10,315,295)</b>	<b>\$ (10,675,655)</b>	<b>\$ (11,098,506)</b>	<b>\$ (12,526,023)</b>	<b>\$ (13,840,236)</b>
<b>Governmental Activities</b>	<b>(9,688,382)</b>	<b>(5,488,482)</b>	<b>(10,330,249)</b>	<b>(11,418,008)</b>	<b>(10,148,694)</b>	<b>(10,315,295)</b>	<b>(10,675,655)</b>	<b>(11,098,506)</b>	<b>(12,526,023)</b>	<b>(13,840,236)</b>
<b>Business-Type Activities</b>	<b>(32,965)</b>	<b>(38,508)</b>	<b>(83,865)</b>	<b>(49,472)</b>	<b>(15,752)</b>	<b>(46,920)</b>	<b>(31,154)</b>	<b>(61,972)</b>	<b>22,781</b>	<b>72,219</b>
<b>Total District-Wide Net Expense</b>	<b>\$ (9,721,347)</b>	<b>\$ (5,526,990)</b>	<b>\$ (10,414,114)</b>	<b>\$ (11,467,480)</b>	<b>\$ (10,164,446)</b>	<b>\$ (10,362,215)</b>	<b>\$ (10,706,809)</b>	<b>\$ (11,160,478)</b>	<b>\$ (12,503,242)</b>	<b>\$ (13,768,017)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied - General Purp.	\$ 5,980,814	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	\$ 4,806,705	\$ 5,273,763	\$ 6,535,674	\$ 7,089,901
Taxes Levied for Debt Service	183,353	176,266	169,178	174,383						
Unrestricted Grants and Contributions	3,801,965	3,992,069	4,547,600	6,443,842	6,314,821	6,300,716	6,551,576	6,466,280	6,699,260	8,578,851
Investment Earnings			17,356	5,229	1,517	687	1,361	1,126	1,070	1,094
Miscellaneous Income	89,772	82,666	48,033	97,137	109,775	67,604	90,141	178,164	122,516	227,453
Other Adjustments	(334,667)		9,610			244,207	(38,350)	(23,500)	(35,381)	
Transfers	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(9,111)	(9,013)	(9,070)	(18,027)
<b>Total Governmental Activities</b>	<b>9,695,863</b>	<b>10,268,388</b>	<b>10,641,443</b>	<b>11,040,207</b>	<b>11,133,508</b>	<b>11,636,240</b>	<b>11,402,322</b>	<b>11,886,820</b>	<b>13,314,069</b>	<b>15,879,272</b>
<b>Business-Type Activities</b>										
Investment Earnings	891	949	192	69	26	9	4	4	4	8
Other Adjustments						(1,094)	38,350	297,222	25,000	
Transfers	25,374	27,660	83,270	46,962	44,190	48,060				
<b>Total Business-Type Activities</b>	<b>26,265</b>	<b>28,609</b>	<b>83,462</b>	<b>47,031</b>	<b>44,216</b>	<b>46,975</b>	<b>38,354</b>	<b>297,226</b>	<b>25,004</b>	<b>8</b>
<b>Total District-Wide</b>	<b>\$ 9,722,128</b>	<b>\$ 10,296,997</b>	<b>\$ 10,724,905</b>	<b>\$ 11,087,238</b>	<b>\$ 11,177,724</b>	<b>\$ 11,683,215</b>	<b>\$ 11,440,676</b>	<b>\$ 12,184,046</b>	<b>\$ 13,339,073</b>	<b>\$ 15,879,280</b>
<b>Change in Net Position</b>										
<b>Governmental Activities</b>										
	\$ 7,481	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814	\$ 1,320,945	\$ 726,667	\$ 788,314	\$ 788,046	\$ 2,039,036
<b>Business-Type Activities</b>	<b>(6,700)</b>	<b>(9,899)</b>	<b>(403)</b>	<b>(2,441)</b>	<b>28,464</b>	<b>55</b>	<b>7,200</b>	<b>235,254</b>	<b>47,785</b>	<b>72,227</b>
<b>Total District-Wide</b>	<b>\$ 781</b>	<b>\$ 4,770,007</b>	<b>\$ 310,791</b>	<b>\$ (380,242)</b>	<b>\$ 1,013,278</b>	<b>\$ 1,321,000</b>	<b>\$ 733,867</b>	<b>\$ 1,023,568</b>	<b>\$ 835,831</b>	<b>\$ 2,111,263</b>

Source: CAFR Schedule A-2

**RUNNEMEDE SCHOOL DISTRICT**  
**FUND BALANCES-GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (Modified Accrual Basis of Accounting)  
 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Restricted	\$ 583,828	\$ 849,650	\$ 385,401	\$ 499,187	\$ 365,821	\$ 1,383,411	\$ 427,522	\$	\$	\$
Excess Surplus								716,546	666,782	803,460
Maintenance Reserve								200,000	700,000	700,000
Capital Reserve								1,369,944	377,010	877,485
Assigned										
Year End Encumbrances								103,192	26,388	110,360
Subsequent Year's Expenditures								733,059	2,234,931	720,294
Unassigned	452,191	679,881	1,228,391	503,918	347,400	242,594	(140,989)	(181,593)	(128,240)	(151,953)
Total General Fund	<u>\$ 1,036,019</u>	<u>\$ 1,529,531</u>	<u>\$ 1,613,792</u>	<u>\$ 1,003,105</u>	<u>\$ 713,221</u>	<u>\$ 1,626,005</u>	<u>\$ 286,533</u>	<u>\$ 2,941,148</u>	<u>\$ 3,876,871</u>	<u>\$ 3,059,646</u>
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$ 51,578	\$ 3,072	\$	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(4,261)	(9,161)								
Capital Projects Fund				421,509	24,583	29,019	32,091	32,091		342,272
Total All Other Governmental Funds	<u>\$ (4,261)</u>	<u>\$ (9,161)</u>	<u>\$ -</u>	<u>\$ 421,509</u>	<u>\$ 76,161</u>	<u>\$ 32,091</u>	<u>\$ 32,091</u>	<u>\$ 32,091</u>	<u>\$</u>	<u>\$ 342,272</u>

Source: CAFR Schedule B-1

**RUNNEMEDE SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 6,164,167	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796	\$ 6,502,000	\$ 6,630,000	\$ 6,762,600	\$ 6,897,852
Tuition			21,198	37,610	34,946	49,209	49,015	169,449	80,144	64,552
Interest Earnings			17,356	5,229	1,517	687	1,361	1,126	1,070	1,094
Miscellaneous	89,772	82,666	26,835	59,527	74,829	18,395	41,126	8,715	42,372	162,901
State Sources	5,409,396	5,709,778	5,463,350	5,042,164	5,824,349	5,656,260	6,014,785	5,934,615	6,164,241	8,066,138
Federal Sources	436,525	386,306	400,333	1,401,678	490,472	644,456	536,791	531,665	535,019	512,713
<b>Total Revenues</b>	<b>12,099,860</b>	<b>12,400,063</b>	<b>12,022,025</b>	<b>12,641,640</b>	<b>12,584,004</b>	<b>12,920,803</b>	<b>13,145,078</b>	<b>13,275,570</b>	<b>13,585,446</b>	<b>15,705,250</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	4,140,588	4,085,426	3,733,316	4,014,841	3,581,539	3,577,043	3,770,924	3,608,552	3,635,082	3,706,295
Special Education Instruction	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,192,569	1,253,654	1,343,669
Other Instruction	89,831	59,976	258,381	420,505	241,756	208,999	215,467	249,280	307,713	247,082
<b>Support Services</b>										
Tuition	573,951	441,169	661,784	778,809	943,713	605,307	569,265	399,883	413,871	587,144
Student and Instruction Related Services	978,878	1,166,284	1,178,198	1,260,296	1,285,066	1,329,739	1,380,450	1,418,875	1,575,472	1,554,972
School Administrative Services	327,882	337,578	360,545	353,592	364,929	367,591	395,532	403,423	370,349	371,705
General Administrative Services	464,936	497,276	598,271	652,300	610,393	539,191	562,569	614,220	525,500	598,831
Plant Operations and Maintenance	900,468	931,892	786,544	828,717	646,844	613,830	653,349	767,145	866,079	862,926
Pupil Transportation	380,987	364,979	447,094	394,595	294,088	226,354	264,384	290,743	311,425	334,143
Business and Other Support Services	2,849,491	2,930,512	2,561,940	2,809,406	3,118,199	3,057,764	3,292,419	3,299,905	3,303,859	3,639,792
Capital Outlay		20,012	42,975	101,428	834,286	97,581	127,111	344,977	74,359	2,915,617
<b>Debt Service</b>										
Principal	225,000	225,000	225,000	245,000	250,000	250,000				
Interest and Other Charges	73,337	61,806	50,274	38,743	26,125	13,125				
<b>Total Expenditures</b>	<b>11,860,345</b>	<b>11,882,791</b>	<b>11,846,333</b>	<b>12,783,856</b>	<b>13,175,046</b>	<b>12,004,029</b>	<b>12,437,089</b>	<b>12,589,572</b>	<b>12,637,363</b>	<b>16,162,176</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	239,515	517,272	175,692	(142,216)	(591,042)	916,774	707,989	685,998	948,083	(456,926)
<b>Other Financing Sources (Uses)</b>										
Transfers, Net	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(38,350)	(23,500)	(25,000)	
Cancellation of prior year Receivable									(10,381)	
Transfer to Charter School							(9,111)	(9,013)	(9,070)	(18,027)
<b>Total Other Financing Sources (Uses)</b>	<b>(25,374)</b>	<b>(27,660)</b>	<b>(83,270)</b>	<b>(46,962)</b>	<b>(44,190)</b>	<b>(48,060)</b>	<b>(47,461)</b>	<b>(32,513)</b>	<b>(44,451)</b>	<b>(18,027)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 214,141</b>	<b>\$ 489,612</b>	<b>\$ 92,422</b>	<b>\$ (189,178)</b>	<b>\$ (635,232)</b>	<b>\$ 868,714</b>	<b>\$ 660,528</b>	<b>\$ 653,485</b>	<b>\$ 903,632</b>	<b>\$ (474,953)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.5%	2.4%	2.3%	2.2%	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 1,094	\$ 64,552	\$ 117,678	\$ 40,555		\$ 3,703	\$ 227,582
2015	1,070	80,144	12,205			25,857	119,276
2014	1,126	169,449	4,529			2,124	177,228
2013	1,361	49,015	30,583			5,297	86,256
2012	687	1,126	4,658			3,746	10,217
2011	1,517	1,361	52,352			15,941	71,171
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	-	8,800	5,648		2,510	5,166	22,124
2007	-		991		28,104		29,095

Source: District Records

**RUNNEMEDE SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual County Equalized Value</b>
2016	\$ 3,884,400	\$ 380,679,000	\$ 75,988,800	\$ 16,597,100	\$ 26,719,000	\$ 503,868,300	\$ 1,053,284	\$ 504,921,584	\$ 1.380	\$ 526,728,129
2015	3,876,000	381,090,800	75,673,700	16,597,100	26,843,000	504,080,600	1,048,625	505,129,225	1.353	526,944,737
2014	4,354,200	380,658,400	74,854,600	18,574,500	27,118,900	505,560,600	1,021,763	506,582,363	1.294	515,762,943
2013	4,788,500	381,511,400	73,710,800	19,241,100	27,118,900	506,370,700	1,242,127	334,255,309	1.294	549,113,180
2012	3,097,500	257,928,600	45,472,800	12,060,100	14,752,700	333,311,700	943,609	334,255,309	1.953	591,488,940
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.817	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.808	588,376,307
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.823	591,141,251
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.839	534,990,012
2007	3,211,700	255,372,400	45,678,400	13,049,700	18,297,700	335,609,900	1,121,421	336,731,321	1.806	473,892,732

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

**c** Estimate

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

Year Ended June 30,	Runnemede School District			Overlapping Rates			
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Runnemede	Regional School	Camden County	Total
2016	\$ 1.380	\$ 0.000	\$ 1.380	\$ 1.012	\$ 0.559	\$ 0.837	\$ 3.788
2015	1.353	0.000	1.353	1.012	0.588	0.846	3.799
2014	1.378	0.000	1.378	0.984	0.568	0.802	3.732
2013	1.259	0.035	1.294	0.998	0.566	1.255	4.113
2012	1.953	0.000	1.953	1.425	0.869	1.124	5.371
2011	1.841	0.054	1.895	1.497	0.835	1.073	5.300
2010	1.767	0.050	1.817	1.379	0.835	1.054	5.085
2009	1.754	0.054	1.808	1.347	0.838	1.041	5.034
2008	1.769	0.054	1.823	1.248	0.866	1.046	4.983
2007	1.785	0.054	1.839	1.109	0.876	1.071	4.895

Source: District Records and Municipal Tax Collector

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

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

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

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 10,205,100	2.02%	\$	
Hartford Plaza	10,108,400	2.00%		
The Meadows at Runnemedede	10,056,800	1.99%		
DPE Runnemedede Assoc. LLC	7,419,200	1.47%		
Runnemedede Lodging Investors	4,338,800	0.86%		
Sinatra Corporation	3,830,600	0.76%		
East Coast Enterprises	3,273,600	0.65%		
Runnemedede Associates	2,966,500	0.59%		
D&P Industrial	2,394,200	0.47%		
Oak Ridge Apartments	1,984,000	0.39%		
Total	<u>\$ 56,577,200</u>	<u>11.21%</u>	<u>\$</u>	<u>0.00%</u>

Source: District CAFR & Municipal Tax Assessor

**RUNNEMEDE SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2016	\$ 6,897,852	\$ 6,897,852	96.12%	\$
2015	6,897,852	6,630,000	94.26%	
2014	6,630,000	6,502,000	98.04%	
2013	6,502,000	6,374,873	100.00%	
2012	6,374,873	6,374,873	100.00%	
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	
2007	6,164,167	6,164,167	100.00%	

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

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



**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income <sup>a</sup>		Per Capita <sup>a</sup>	
2016	\$	\$	\$	\$	\$		0.00%	\$
2015							0.00%	
2014							0.00%	
2013							0.00%	
2012							0.00%	
2011	250,000				250,000		0.07%	30
2010	500,000				500,000		0.14%	89
2009	745,000				745,000		0.21%	115
2008	970,000				970,000		0.29%	141
2007	1,195,000				1,195,000		0.37%	168

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

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

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

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$	\$	\$	0.00%	\$
2015				0.00%	
2014				0.00%	
2013				0.00%	
2012				0.00%	
2011	250,000		250,000	0.05%	30
2010	500,000		500,000	0.15%	59
2009	745,000		745,000	0.22%	88
2008	970,000		970,000	0.29%	115
2007	1,195,000		1,195,000	0.35%	142

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

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

**b** Population data can be found in Exhibit NJ J-13.

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

**RUNNEMEDE SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2016**  
*(UNAUDITED)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Borough of Runnemede	\$ 6,528,553	100.00%	\$ 6,528,553
Camden County General Obligation Debt	342,450,381	1.40%	4,804,759
Black Horse Pike Regional High School District	14,887,000	9.45%	1,407,159
Subtotal, Overlapping Debt			<u>12,740,470</u>
<b>Runnemede School District Direct Debt</b>			
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 12,740,470</u></u>

**Sources:** Camden County Board of Taxation

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

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

**RUNNEMEDE SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized Valuation Basis	
	2015	\$ 502,622,993
	2014	514,094,570
	2013	528,239,829
	[A]	\$ 1,544,957,392
Average Equalized Valuation of Taxable Property	[A/3]	\$ 514,985,797
Debt Limit (3% of Average Equalization Value)	[B]	\$ 15,449,574 <sup>a</sup>
Net Bonded School Debt	[C]	
Legal Debt Margin	[B-C]	\$ 15,449,574

**For the Year Ended,**

	<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>
Debt Limit	\$ 13,969,422	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001	\$ 15,449,574
Total Net Debt Applicable to Limit	1,195,000	970,000	745,000	500,000	250,000					
Legal Debt Margin	\$ 12,774,422	\$ 14,864,779	\$ 16,503,752	\$ 16,503,752	\$ 17,530,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001	\$ 15,449,574
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9%	6%	4%	3%	4%	0%	0%	0%	0%	0%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

**RUNNEMEDE SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>	
2016	*	8,465	\$ 459,507,725	\$ 54,284	6.2%
2015		8,381	450,453,607	53,747	6.2%
2014		8,385	434,217,225	51,785	8.1%
2013		8,408	379,007,416	45,077	7.6%
2012		8,447	377,935,674	44,742	12.8%
2011		8,455	372,992,325	44,115	12.6%
2010		8,469	355,638,717	41,993	12.8%
2009		8,408	350,117,528	41,641	12.2%
2008		8,421	348,402,033	41,373	7.9%
2007		8,450	338,050,700	40,006	6.0%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* Estimate

**RUNNEMEDE SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

	<u>2016</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
<b>Not Available</b>				

Source:

**RUNNEMEDE SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	72	72	69	68	67	67	57	57	59	55
Special Education	12	12	12	12	20	20	28	16	17	15
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	4	15	15	17.5	32	34	39.1
General Administrative Services	5	5	4	4	2	2	2	2	2	2
School Administrative Services	5	5	5	5	7	7	8	7	9	9
Business Administrative Services	2	2	3	3	3	3	3	5.5	5	6.4
Plant Operations and Maintenance	10	10	12	12	12	12	12.5	9.5	9.5	11
Food Service	1	1	1	1			4	4	3	3
<b>Total</b>	<b>111</b>	<b>111</b>	<b>110</b>	<b>109</b>	<b>126</b>	<b>126</b>	<b>132</b>	<b>133</b>	<b>139</b>	<b>141</b>

Source: District Personnel Records

**RUNNEMEDE SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle</u>				
2016	851	\$ 13,246,559	\$ 15,566	7.8%	77	1:11	1:10	857.8	815	0.25%	95.01%
2015	870	12,563,004	14,440	-0.9%	78	1:13	1:09	855.7	812.5	1.65%	94.95%
2014	840	12,243,465	14,576	1.0%	81	1:12	1:90	841.8	799.04	-1.60%	94.92%
2013	853	12,309,978	14,431	4.5%	86	1:11	1:10	855.5	810.3	1.64%	94.72%
2012	862	11,906,448	13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%
2007	806	11,562,008	14,345	5.8%	92	1:13	1:10	790.0	745.0	0.77%	94.30%

**Sources:** District records, ASSA

**Note:** Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

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

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



**RUNNEMEDE SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>District Building</b>										
<b><u>Elementary</u></b>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	178	177	177	182	205	208	195	194	210	188
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	155	157	157	178	168	170	177	168	159	160
<b><u>Middle School</u></b>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	450	456	456	468	458	464	481	478	501	503
<b><u>Other</u></b>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2016

- Elementary = 2
- Middle = 1
- High School = 0
- Other = 1

**Source:** District records, ASSA

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

**RUNNEMEDE SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Bingham School	25,050	\$ 22,126	\$ 13,781	\$ 26,960	\$ 22,500	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785	\$ 54,178
Downing School	23,315	19,654	16,543	19,995	17,973	13,631	12,378	46,168	35	2,693	16,378
Volz School	70,268	88,845	84,184	44,401	49,407	42,974	36,999	29,531	14,527	115,151	66,243
<b>Total School Facilities</b>		<b>130,625</b>	<b>114,508</b>	<b>91,356</b>	<b>89,880</b>	<b>73,325</b>	<b>63,695</b>	<b>102,058</b>	<b>14,780</b>	<b>122,629</b>	<b>136,799</b>
Other Facilities	2,132										
<b>Grand Total</b>		<b>\$ 130,625</b>	<b>\$ 114,508</b>	<b>\$ 91,356</b>	<b>\$ 89,880</b>	<b>\$ 73,325</b>	<b>\$ 63,695</b>	<b>\$ 102,058</b>	<b>\$ 14,780</b>	<b>\$ 122,629</b>	<b>\$ 136,799</b>

**RUNNEMEDE SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
 (UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
Building and Contents (All Locations)			
	Blanket Real & Personal Property	\$ 350,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Equipment Breakdown	100,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Pollutant Cleanup & Removal	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
Worker's Compensation			
	Professional & Clerical	6,537,672	
	Non-Professional & Driver	373,977	
	Employer	2,000,000	
	Crime Coverage	25,000	500
Catastrophic Student Accident Coverage			
	Accident Medical Expense Benefit	6,000,000	
	Catastrophic Cash Benefit	1,000,000	
Western Surety Insurance			
Surety Bonds			
	Treasurer	200,000	1,000
	Board Secretary	50,000	1,000

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated October 24, 2016.

#### Internal Control Over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Runnemede Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that we have reported to the Runnemede Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings, Financial, Compliance and Performance* dated October 24, 2016, as labeled 2016-1.

### **Runnemede Board of Education's Response to Findings**

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

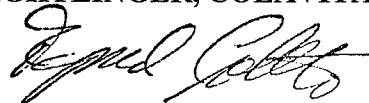
### **Purpose of this Report**

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

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

Respectfully Submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
October 24, 2016

# NIGHTLINGER, COLAVITA & VOLPA

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Runnemede School District  
County of Camden, New Jersey 08078

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Runnemede Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey Treasury Circular OMB 15-08*. Those standards, *Uniform Guidance and New Jersey OMB 15-08*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Runnemede Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Runnemede Board of Education's compliance with those requirements.

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

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

**Report on Internal Control Over Compliance**

Management of the Board of Education of the Runnemede School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Runnemede Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey Circular OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 24, 2016. However, material weaknesses may exist that have not been identified.

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

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

Respectfully Submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
October 24, 2016



**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A**  
**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 at June 30, 2015	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2016		
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>															
General Fund															
Medicaid Assistance Program	93.778	1605NJ5MAP	N/A	\$33,271	7/1/15	6/30/16		\$ 23,285	\$ (33,271)		\$ (33,271)		\$ (9,986)		
Total General Fund								23,285	(33,271)		(33,271)		(9,986)		
<b>U.S. Department of Agriculture</b>															
Passed-through State Department of Education:															
Enterprise Fund:															
School Breakfast Program	10.553	16161NJ304N1099	N/A	73,483	7/1/15	6/30/16		60,235	(73,483)		(73,483)		\$ (13,248)		
School Breakfast Program	10.553	16161NJ304N1099	N/A	28,668	7/1/14	6/30/15	\$ (2,353)	2,353							
Food Distribution Program	10.565	16161NJ304N1099	N/A	7,154	7/1/15	6/30/16		7,154	(7,154)		(7,154)				
National School Lunch Program	10.555	16161NJ304N1099	N/A	115,272	7/1/15	6/30/16		96,350	(115,272)		(115,272)		(18,922)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	106,642	7/1/14	6/30/15	(5,728)	5,728							
Total Enterprise Fund								(8,081)	171,820	(195,909)	(195,909)		(32,170)		
<b>U.S. Department of Education</b>															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I	84.010A	S010A150030	NCLB0950-16	175,178	7/1/15	6/30/16		99,415	(139,742)		(139,742)		(40,327)		
Title I	84.010A	S010A150030	NCLB0950-15	170,482	7/1/14	6/30/15	(8,842)	22,938	(14,096)		(14,096)				
Title II A	84.367A	S367A150029	NCLB0950-16	44,147	7/1/15	6/30/16		33,264	(39,431)		(39,431)		(6,167)		
Title II A	84.367A	S367A150029	NCLB0950-15	44,632	7/1/14	6/30/15		6,398	(6,398)		(6,398)				
I.D.E.A. Part B, Pre-school	84.173	H173A150114	IDEAPS0950-16	11,985	7/1/15	6/30/16		10,726	(11,787)		(11,787)		(1,061)		
I.D.E.A. Part B Basic	84.027	H027A150100	IDEA0950-16	267,072	7/1/15	6/30/16		201,086	(264,630)		(264,630)		(63,544)		
I.D.E.A. Part B Basic	84.027	H027A150100	IDEA0950-15	258,081	7/1/14	6/30/15	(10)	3,368	(3,358)		(3,358)				
Total Special Revenue Fund								(8,852)	377,195	(479,442)	(479,442)		(111,099)		
Total Federal Financial Awards								\$ (16,933)	\$ 572,300	\$ (708,622)	\$ (708,622)		\$ (153,255)		

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule. These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2016		MEMO	
			From	To	(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
<b>General Fund:</b>													
Equalization Aid	15-495-034-5120-078	\$ 4,192,794	7/1/14	6/30/15	\$ (405,387)		\$ 405,387						
Equalization Aid	16-495-034-5120-078	4,192,794	7/1/15	6/30/16			3,801,247	\$ (4,192,794)		\$ (391,547)		* \$ (391,547)	\$ 4,192,794
Special Education Aid	15-495-034-5120-089	474,234	7/1/14	6/30/15	(45,852)		45,852						
Special Education Aid	16-495-034-5120-089	474,234	7/1/15	6/30/16			429,947	(474,234)		(44,287)		*	(44,287)
School Choice Aid	15-495-034-5120-068	40,615	7/1/14	6/30/15	(3,927)		3,927						
School Choice Aid	16-495-034-5120-068	89,353	7/1/15	6/30/16			81,009	(89,353)		(8,344)		*	(8,344)
Transportation Aid	15-495-034-5120-014	17,260	7/1/14	6/30/15	(1,669)		1,669						
Transportation Aid	16-495-034-5120-014	17,260	7/1/15	6/30/16			15,648	(17,260)		(1,612)		*	(1,612)
Security Aid	15-495-034-5120-084	35,985	7/1/14	6/30/15	(3,479)		3,479						
Security Aid	16-495-034-5120-084	35,985	7/1/15	6/30/16			32,625	(35,985)		(3,360)		*	(3,360)
Under Adequacy Aid	15-495-034-5120-096	496	7/1/14	6/30/15	(48)		48						
Under Adequacy Aid	16-495-034-5120-096	496	7/1/15	6/30/16			450	(496)		(46)		*	(46)
Additional Adjustment Aid	16-495-034-5120-085	8,123	7/1/15	6/30/16			7,364	(8,123)		(759)		*	(759)
Additional Adjustment Aid	15-495-034-5120-085	8,123	7/1/14	6/30/15	(785)		785						
PARCC Readiness Aid	16-495-034-5120-098	7,940	7/1/15	6/30/16			7,199	(7,940)		(741)		*	(741)
PARCC Readiness Aid	15-495-034-5120-098	7,940	7/1/14	6/30/15	(768)		768						
Per Pupil Growth Aid	16-495-034-5120-097	7,940	7/1/15	6/30/16			7,199	(7,940)		(741)		*	(741)
Per Pupil Growth Aid	15-495-034-5120-097	7,940	7/1/14	6/30/15	(768)		768						
Extraordinary Aid	15-100-034-5120-473	55,904	7/1/14	6/30/15	(117,007)		117,007						
Extraordinary Aid	16-100-034-5120-473	74,794	7/1/15	6/30/16				(74,794)		(74,794)		*	
Non-public Transportation Aid	15-495-034-5120-014	4,072	7/1/14	6/30/15	(2,436)		2,436						
Non-public Transportation Aid	16-495-034-5120-014	2,088	7/1/15	6/30/16				(2,088)		(2,088)		*	
Reimbursed TPAF Social Security Contrib.	16-495-034-5094-003	395,445	7/1/15	6/30/16			358,552	(395,445)		(36,893)		*	
Reimbursed TPAF Social Security Contrib.	15-495-034-5094-003	391,797	7/1/14	6/30/15	(19,209)		19,209						
Homeless Tuition Aid	N/A	2,783	7/1/14	6/30/15	(2,783)		2,783						
<b>Total General Fund</b>					(604,118)		5,345,357	(5,306,452)		(565,213)		(451,438)	5,306,452
<b>Capital Projects Fund:</b>													
NISDA - Bingham School	4590-020-14-1001	412,879	7/1/15	6/30/16				(\$370,914)		(370,914)		*	370,914
NISDA - Downing School	4590-030-14-1002	201,200	7/1/15	6/30/16				(\$201,200)		(201,200)		*	201,200
NISDA - Mary E. Volz School	4590-040-14-1003	1,278,074	7/1/15	6/30/16				(\$1,176,753)		(1,176,753)		*	1,176,753
<b>Total Capital Projects Fund</b>								(1,748,867)		(1,748,867)			1,748,867
<b>Special Revenue Fund:</b>													
<b>N.J. Nonpublic Aid:</b>													
Security Aid	16-100-034-5120-084	4,200	7/1/15	6/30/16			4,200	(4,200)				*	4,200
Textbook Aid	16-100-034-5120-064	9,593	7/1/15	6/30/16			9,593	(8,951)		\$ 642		*	8,951
Textbook Aid	15-100-034-5120-064	10,427	7/1/14	6/30/15		\$ 77			\$ (77)				
Nursing Aid	16-100-034-5120-070	15,120	7/1/15	6/30/16			15,120	(15,120)				*	15,120
Nursing Aid	15-100-034-5120-070	16,599	7/1/14	6/30/15		2			(2)				
Technology Aid	16-100-034-5120-373	4,368	7/1/15	6/30/16			4,368	(4,307)		61		*	4,307
Technology Aid	15-100-034-5120-373	5,600	7/1/14	6/30/15		110			(110)				
<b>Auxiliary Services:</b>													
Compensatory Education Aid	16-100-034-5120-067	63,452	7/1/15	6/30/16			63,452	(51,311)		12,141		*	51,311
Compensatory Education Aid	15-100-034-5120-067	61,191	7/1/14	6/30/15		4,657		(4,657)					
Transportation Aid	16-100-034-5120-068	13,984	7/1/15	6/30/16			13,984	(3,800)		10,184		*	3,800
Transportation Aid	15-100-034-5120-068	11,475	7/1/14	6/30/15		7,517		(7,517)					
<b>Handicapped Services:</b>													
Supplemental Instruction Aid	16-100-034-5120-066	21,534	7/1/15	6/30/16			21,534	(15,444)		6,090		*	15,444
Supplemental Instruction Aid	15-100-034-5120-066	16,009	7/1/14	6/30/15		1,727		(1,727)					
Examination & Classification Aid	16-100-034-5120-066	26,075	7/1/15	6/30/16			26,075	(23,858)		2,217		*	23,858
Examination & Classification Aid	15-100-034-5120-066	23,406	7/1/14	6/30/15		4,141		(4,141)					
Corrective Speech	16-100-034-5120-066	20,902	7/1/15	6/30/16			20,902	(8,026)		12,876		*	8,026
Corrective Speech	15-100-034-5120-066	13,253	7/1/14	6/30/15		4,948		(4,948)					
<b>Total Special Revenue Fund</b>						23,179	179,228	(135,017)	(23,179)	44,211			135,017
<b>State Department of Agriculture:</b>													
<b>Enterprise Fund:</b>													
School Lunch Prog.	15-100-010-3350-023	2,623	7/1/14	6/30/15	(213)		213						
School Lunch Prog.	16-100-010-3350-023	2,697	7/1/15	6/30/16			2,258	(2,697)		(439)		*	2,697
<b>Total Enterprise Fund</b>					(213)		2,471	(2,697)		(439)			2,697
<b>Total State Financial Assistance Subject to OMB 15-08</b>					\$ (604,331)	\$ 23,179	\$ 5,527,056	\$ (7,193,033)	\$ (23,179)	\$ (2,314,519)	\$ 44,211	\$ (451,438)	\$ 7,193,033
<b>State Financial Assistance Not Subject to OMB 15-08</b>													
On-Behalf TPAF Post Retirement Medical	16-495-034-5094-001	469,912	7/1/15	6/30/16			\$ 469,912	\$ (469,912)					
On-Behalf TPAF Pension Contribution	16-495-034-5094-006	394,645	7/1/15	6/30/16			394,645	(394,645)					
<b>Total State Financial Assistance</b>							\$ 6,391,613	\$ (8,057,590)					

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

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,245 for the general fund and \$0 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

**RUNNEMEDE BOARD OF EDUCATION**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2016**  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 33,271	\$ 6,182,254	\$ 6,215,525
Special Revenue Fund	479,442	135,017	614,459
Capital Projects Fund		1,748,867	1,748,867
Food Service Fund	195,909	2,697	198,606
Total Awards & Financial Assistance	<u>\$ 708,622</u>	<u>\$ 8,068,835</u>	<u>\$ 8,777,457</u>

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

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

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Runnemedede School District had no outstanding loans as of June 30, 2016.

**NOTE 6: OTHER**

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

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

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

**NOTE 8: MAJOR PROGRAMS**

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

**NOTE 8: ADJUSTMENTS**

There were no adjustments needed on Schedule A of Federal Awards or Schedule B for State Financial Assistance.

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

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes    X \_\_\_\_\_ no

**Federal Awards**

Internal control over major programs: N/A

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

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

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

**CFDA Number(s)**

**FAIN Number(s)**

**Name of Federal Program or Cluster**

N/A

Dollar threshold used to distinguish between type A and type B programs (section .518): \$ 750,000

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



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

**Section II - Financial Statement Findings**

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

**Finding: 2016-1 (AMR Finding 2016-1)**

**Criteria or specific requirement:**

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Context:**

Utilizing the USDA net cash resource calculation form, it was determined that the District's net cash resources exceeded three months average expenditures by \$50,718, as of June 30, 2016.

**Effect:**

This was not in compliance with New Jersey Department of Agriculture requirements.

**Cause:**

Inadvertent oversight.

**Recommendation:**

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

**Management's response:**

Management is aware of the excess resources and has planned to utilize the excess cash to perform upgrades to the cafeteria HVAC system in the subsequent year.

**RUNNEMEDE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**(Continued)**

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

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

**FEDERAL AWARDS**

NONE

**STATE AWARDS**

NONE



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

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

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.