

**Swedesboro-Woolwich Consolidated
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**SWEDESBORO-WOOLWICH CONSOLIDATED
SCHOOL DISTRICT**

WOOLWICH TOWNSHIP, NEW JERSEY

**Swedesboro-Woolwich Consolidated School Board of Education
Woolwich Township, New Jersey**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Swedesboro-Woolwich Consolidated School Board of Education
Woolwich Township, New Jersey**

For the Fiscal Year Ended June 30, 2016

Prepared by:

**Christopher J. DeStratis
School Business Administrator/Board Secretary**

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INTRODUCTORY SECTION

SWEDESBORO-WOOLWICH SCHOOL DISTRICT
ADMINISTRATIVE OFFICES
15 FREDERICK BOULEVARD
WOOLWICH TOWNSHIP, NJ 08085

Phone: 856 241-1552

Fax: 856-467-7041

Dr. Kristin P. O'Neil
Superintendent of Schools

Christopher J. DeStratis
School Business Administrator

October 24, 2016

Honorable President and
Members of the Board of Education
Swedesboro-Woolwich Consolidated School District
15 Frederick Boulevard
Woolwich Township, New Jersey 08085

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the independent auditor's report, MD&A, and the basic financial statements including the District-wide statements, fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Swedesboro-Woolwich Consolidated School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 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 reports on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Swedesboro-Woolwich Consolidated School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Swedesboro-Woolwich 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 Prekindergarten through Grade 6. These include regular, as well as special education for at-risk, gifted, and handicapped students. The District completed the 2015-2016 fiscal year with an enrollment of 1,732 students.

2. ECONOMIC CONDITION AND OUTLOOK: The District serves both Swedesboro Borough and Woolwich Township. The Borough of Swedesboro is .73 square miles or 499 acres. Woolwich Township covers 21 square miles.

For the 2015-2016 school year, the District's four elementary schools were organized as follows:

Margaret C. Clifford Serves the preschool and kindergarten students.

Charles C. Stratton Serves students in grades 1 and 2.

Charles Harker Serves students in grades 3 to 5.

Walter H. Hill Serves all grade 6.

The Board of Education opened its new \$3,250,000 Margaret C. Clifford School in January 1997. In March of 2000, voters approved a \$2,758,000 bond referendum to expand this facility to accommodate an increase in the student enrollment. The Margaret C. Clifford School addition opened in September of 2001.

In March 2002, a bond referendum was held regarding the construction of a new elementary school (Charles C. Stratton), as well as an addition and renovations to the Walter H. Hill School. The referendum was successful by a 2 to 1 margin. The total cost of the projects were \$23,137,843, which \$15,733,733 was allocated to the new school and \$7,404,110 was the addition and renovations to the Walter H. Hill School. The Board received as part of efforts by the Woolwich Township Planning Board and developers donated land designated for educational purposes. As a result of this conscientious effort the Board received 15 acres of land, which is the site of the Charles C. Stratton School. The construction was completed in March 2004.

In December 2005, a bond referendum was held regarding the construction of a new elementary school (Charles Harker) and the purchase of a 40 acre parcel property. The referendum was successful. The Board received as part of efforts by the Woolwich Township Planning Board and developers donated land designated for educational purposes. As a result of this conscientious effort the Board received 68.43 acres of land donated with a final deed conveyance filed in December 2005, which is the site of the Charles G. Harker School which the Charles Harker School opened in September 2008.

3. MAJOR INITIATIVES: In addition to the District's core curricular offerings, the District is proud of the following programs that are available to its students. Examples of these programs that structure for the success of students include:

3. MAJOR INITIATIVES (CONTINUED):

- ❖ The District introduced a 1:1 Chromebook initiative at the 5th grade level
- ❖ Expanded enrichment opportunities for students through project based learning, clubs, and family nights
- ❖ Formalized the RTI process to ensure that all student needs are met
- ❖ World language instruction
- ❖ Enrichment world language instruction in 6th grade
- ❖ Aligned curriculum to the Common Core State Standards and the New Jersey Core Curriculum Content Standards
- ❖ Standards based grading practices
- ❖ Internet access is provided to all students and a google platform is available for all classes
- ❖ Municipal alliance grant to provide for anti-drug student programming
- ❖ L-E-A-D (Law Enforcement Against Drug) program is provided to students
- ❖ Instrumental programs, choir, and drama club opportunities are offered
- ❖ Guidance, speech, O.T., and P.T. services are provided
- ❖ Formal character educational program is taught
- ❖ Intramural sports program

District objectives for 2016-2017 include:

Walter H. Hill School

1. By June of 2017, students in grade 6 will continue to maintain state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.

Governor Charles C. Stratton School

1. By June of 2017, students in grade 1 will achieve the average growth targets in reading that were accomplished last year in the MAP assessment.
2. By June of 2017, students in grade 2 will achieve the average growth targets in reading that were accomplished last year in the MAP assessment.

Margaret C. Clifford School

1. By June of 2017, the kindergarten students will be evaluated for first grade readiness by the Rigby Reading Test, Copyright 2000, Section 14. Eighty percent of the students will complete six of eight items successfully, indicating an ability to recognize initial consonants in words and the ability to recognize rhyming words.
2. By June of 2017, the kindergarten students will be evaluated for first grade readiness by the Scott Foresman Mathematics Test, Copyright 2005, Chapter 5.
3. By June of 2017, eighty percent of the students will complete nine of twelve items successfully on the Scott Foresman Mathematics Test, Copyright 2005, Chapter 5. This test will focus on counting, skip counting, comparing, and estimation.

3. MAJOR INITIATIVES (CONTINUED):

General Charles Harker School

1. By June of 2017, students in grade 3 will strive to maintain state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.
2. By June of 2017, students in grade 4 will strive to maintain state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.
3. By June of 2017, students in grade 5 will strive to maintain state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.

4. INTERNAL ACCOUNTING CONTROLS: The Business Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no 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 the District Management.

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

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

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

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

7. DEBT ADMINISTRATION: At June 30, 2016, the District's outstanding debt issues include \$38,295,000 of General Obligation Bonds. The proceeds of these bond issues were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools, and the purchase of furniture, fixtures, and equipment for the additions.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 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. New Jersey Statutes require governmental units to deposit public funds in institutions as described in Note 2, "Notes to the Financial Statements."

9. 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.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Petroni & Associates LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the revised *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

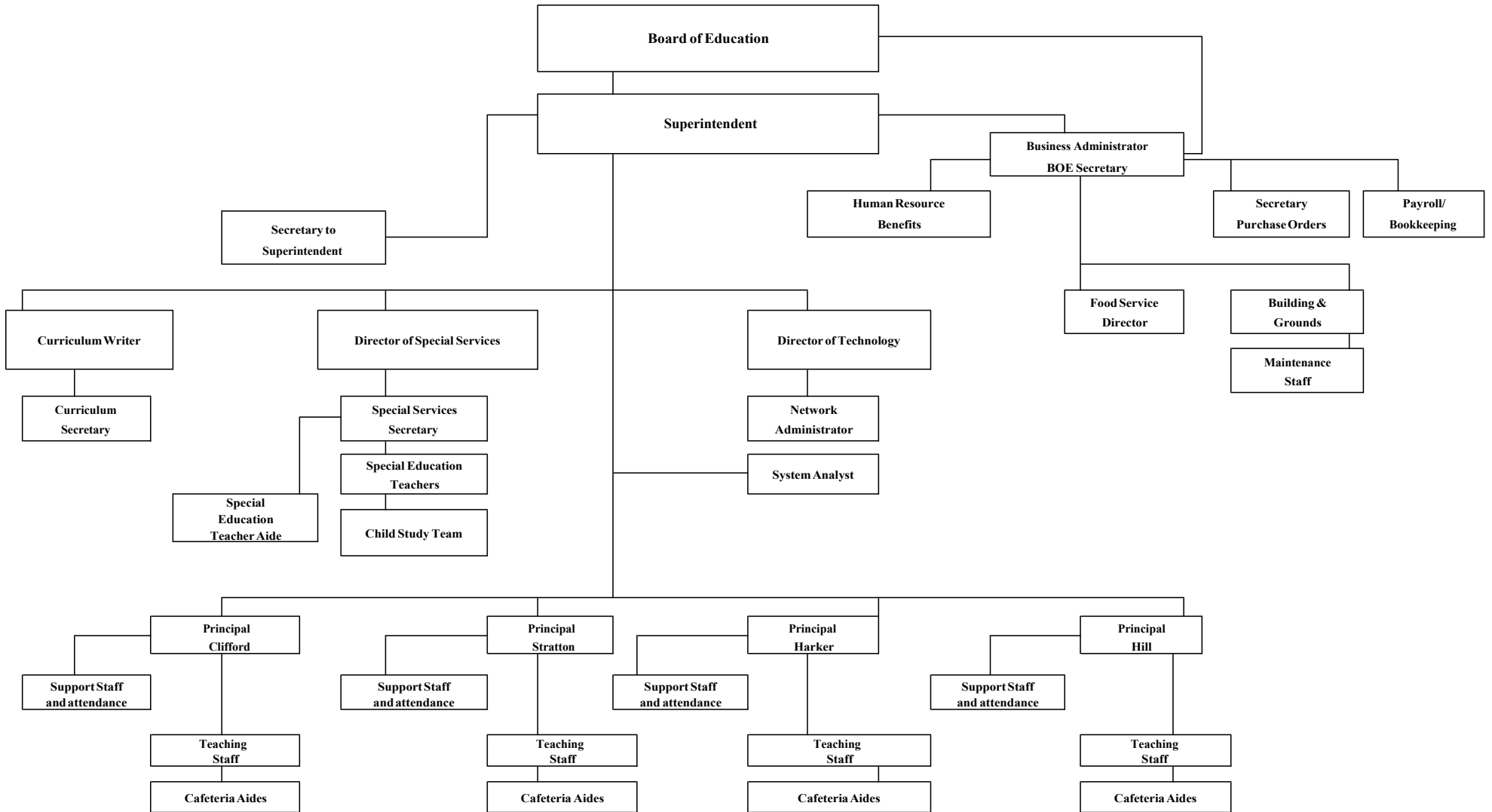
Respectfully submitted,

Dr. Kristin P. O'Neil
Dr. Kristin P. O'Neil
Superintendent

Christopher J. DeStratis
Christopher J. DeStratis
Business Administrator/Board Secretary

**SWEDESBORO-WOOLWICH BOARD OF EDUCATION
SWEDESBORO, NEW JERSEY**

ORGANIZATIONAL CHART
June 30, 2016



SWEDESBORO-WOOLWICH CONSOLIDATED BOARD OF EDUCATION
Woolwich Township, New Jersey

ROSTER OF OFFICIALS
June 30, 2016

Board of Education Members

<u>Board Member</u>	<u>Office Held</u>	<u>Term Date</u>
Craig Frederick	President	2016
Jaclyn Dopke	Vice President	2018
Brenda Caltabiano	Board Member	2017
Kevin Heffernan	Board Member	2018
Natalie Matthias	Board Member	2018
Rosella Musumeci	Board Member	2016
Joe Palma	Board Member	2017
Thomas Ryan	Board Member	2017
Margaret Westburg	Board Member	2016

Other Officials

Dr. Kristin P. O'Neil, Superintendent

Christopher J. DeStratis, Business Administrator/Board Secretary

R. Taylor Ruilova, Solicitor

**SWEDESBORO-WOOLWICH CONSOLIDATED BOARD OF EDUCATION
Woolwich Township, New Jersey**

Consultants and Advisors

Auditor

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

Contact: Nick Petroni
Certified Public Accountant

Solicitor

Comegno Law Group, PC
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Contact: R. Taylor Ruilova, Esquire

Fiscal Agent

JP Morgan
Chase Manhattan Bank
4 New York Plaza
New York, New York 10004

Depository

Fulton Bank of New Jersey
179 Kings Highway
Woolwich Township, NJ 08085

Bond Counsel

McManimon and Scotland
One Gateway Center
Newark, NJ 07102

Architect

Garrison Architect
713 Creek Road
Bellmawr, NJ 08031

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

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

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Swedesboro-Woolwich Consolidated School District
15 Frederick Boulevard
Woolwich, NJ 08085

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Swedesboro-Woolwich Consolidated Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of Federal Awards, and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

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

PETRONI & ASSOCIATES LLC



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

October 24, 2016

REQUIRED SUPPLEMENTARY INFORMATION – PART I

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2016
Unaudited

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

Overview of the Financial Statements

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

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

Financial Highlights

Key financial highlights for 2016 are as follows:

- * General revenues accounted for \$28,026,176 in revenue or 96 percent of all revenues.
- * Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$1,158,498 or 4 percent of total revenues of \$29,184,674.
- * The School District had \$28,267,570 in expenses; only \$1,158,498 of these expenses offset by program specific charges for services, grants or contributions.
- * Among governmental funds, the General Fund had \$24,661,923 in revenues and the General Fund's fund balance increased \$237,449 over 2015.

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 Swedesboro-Woolwich Consolidated School District as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Swedesboro-Woolwich Consolidated School District, the General Fund is by far the most significant fund.

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 ask the question, "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 positions. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

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

- * Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- * Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Drama Club, Pay-to-Play, Summer Camp, and Enrichment Enterprise Funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental

Governmental Funds (Continued)

Fund information helps the reader 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Net positions may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2016, with comparative data from 2015.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current & other assets	\$ 4,414,971	\$ 4,222,629	\$ 246,048	\$ 343,386	\$ 4,661,019	\$ 4,566,015
Capital assets	40,642,113	41,382,987	178,890	207,029	40,821,003	41,590,016
Total assets	45,057,084	45,605,616	424,938	550,415	45,482,022	46,156,031
Deferred Outflows	2,929,961	2,135,238			2,929,961	2,135,238
Noncurrent liabilities	39,634,782	41,543,381			39,634,782	41,543,381
Other liabilities	637,343	597,945	13,997	47,767	651,340	645,712
Net pension liability	5,321,339	4,002,180			5,321,339	4,002,180
Total liabilities	45,593,464	46,143,506	13,997	47,767	45,607,461	46,191,273
Deferred Inflows	25,930	238,508			25,930	238,508
Net position:						
Invested in capital assets, net of debt	2,180,877	1,207,384	178,890	207,029	2,359,767	1,414,413
Restricted	4,239,889	4,167,437			4,239,889	4,167,437
Unrestricted	(4,053,115)	(4,015,981)	232,051	295,619	(3,821,064)	(3,720,362)
Total net position	\$ 2,367,651	\$ 1,358,840	\$ 410,941	\$ 502,648	\$ 2,778,592	\$ 1,861,488

The School District as a Whole (Continued)

The District's combined net position was \$2,778,592 on June 30, 2016. This was an increase from the prior year of \$917,104.

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

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services			\$ 472,447	\$ 725,853	\$ 472,447	\$ 725,853
Operating grants & contributions	\$ 478,797	\$ 448,009	207,254	180,710	686,051	628,719
General revenues:						
Property taxes	17,801,234	17,474,997			17,801,234	17,474,997
Grants & entitlements	9,834,767	9,472,595			9,834,767	9,472,595
Other	393,357	221,111	(3,182)	48,425	390,175	269,536
Total revenues	<u>28,508,155</u>	<u>27,616,712</u>	<u>676,519</u>	<u>954,988</u>	<u>29,184,674</u>	<u>28,571,700</u>
Expenses:						
Instruction	9,946,095	9,562,265			9,946,095	9,562,265
Support services	15,247,422	14,740,404			15,247,422	14,740,404
Capital outlay	205,587	120,297			205,587	120,297
Transfer to charter schools	8,817	8,599			8,817	8,599
Unallocated depreciation	815,760	827,661			815,760	827,661
Interest on debt	1,374,812	1,357,193			1,374,812	1,357,193
Other		182,025				182,025
Food service			603,028	566,915	603,028	566,915
Other Enterprise			66,049	307,349	66,049	307,349
Total expenses	<u>27,598,493</u>	<u>26,798,444</u>	<u>669,077</u>	<u>874,264</u>	<u>28,267,570</u>	<u>27,672,708</u>
Change in net position	909,662	818,268	7,442	80,724	917,104	898,992
Prior period adjustment		1,233,686				1,233,686
Operating transfer	99,149		(99,149)			
Beginning net position	1,358,840	(693,114)	502,648	421,924	1,861,488	(271,190)
Ending net position	<u>\$ 2,367,651</u>	<u>\$ 1,358,840</u>	<u>\$ 410,941</u>	<u>\$ 502,648</u>	<u>\$ 2,778,592</u>	<u>\$ 1,861,488</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 62.2 percent of revenues for governmental activities for the Swedesboro-Woolwich Consolidated School District for fiscal year 2016. The District's total revenues were \$28,607,304 for the year ended June 30, 2016. Federal, state, and local grants accounted for another 34.3 percent of revenue.

The total cost of all programs and services was \$27,598,493. Instruction comprises 36 percent of District expenses.

Business-type Activities

Revenues for the District's Business-type Activity (Food Service, Drama Club, Pay-to-Play, and Summer Camp) were comprised of charges for services and federal and state reimbursements.

Business-type Activities (Continued)

- * Income exceeded expenditures by \$7,442.
- * Charges for services represent \$472,447 of revenue.
- * Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$207,254.

Statement of 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 for the year 2016, with comparative data for 2015. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction:	\$ 9,946,095	\$ 9,562,265	\$ 9,549,142	\$ 9,158,040
Support services:				
Pupil & instructional staff	2,358,652	2,418,838	2,298,908	2,392,311
General administration, school administration & business operation	2,070,596	1,938,634	2,070,596	1,938,634
Operation & maintenance of facilities	1,854,248	1,963,095	1,854,248	1,963,095
Pupil transportation	1,578,937	1,622,666	1,578,937	1,622,666
Employee benefits	7,384,989	6,797,171	7,362,889	6,779,914
Interest	1,374,812	1,357,193	1,374,812	1,357,193
Capital outlay	205,587	120,297	205,587	120,297
Unallocated depreciation	815,760	827,661	815,760	827,661
Other	8,817	8,599	8,817	8,599
	<u>\$ 27,598,493</u>	<u>\$ 26,616,419</u>	<u>\$ 27,119,696</u>	<u>\$ 26,168,410</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 involve keeping the school grounds, buildings, and equipment in an effective working condition.

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

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

"Other" includes unallocated benefits, capital outlay, special schools, and unallocated depreciation.

The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$28,536,935 and expenditures were \$28,686,043.

General Fund Budgeting Highlights

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

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

- Transfers between budgetary line accounts to prevent overruns.

This fiscal year was completed utilizing a zero based budgeting as implemented by the Board of Education and Administration. This process allowed us to more accurately account for our expenditures by school. Principals became more aware of their appropriation limitations and managed their individual school budgets effectively.

The General Fund revenues exceeded the expenditures and other financing sources of the School District for the year by \$237,449.

Capital Assets

At the end of the fiscal year 2016 the School District had \$40,821,003 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2016 balances compared to 2015.

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

	<u>2016</u>	<u>2015</u>
Land	\$ 10,472,909	\$ 10,472,909
Site improvements	997,213	901,359
Building & building improvements	28,407,490	29,134,289
Machinery & equipment	943,391	1,081,459
	<u>\$ 40,821,003</u>	<u>\$ 41,590,016</u>

Overall capital assets decreased \$769,013 from fiscal year 2015 to fiscal year 2016. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2016, the School District had \$43,995,152 of outstanding debt. Of this amount, \$68,826 is for compensated absences; \$961,059 is for unamortized premiums on bonds issued; \$309,897 is for various capital leases; and \$38,295,000 is for serial bonds for school construction and \$5,321,339 net pension liability.

Debt Administration (Continued)

Table 5
Outstanding Serial Bonds at June 30,

	2016	2015
General Obligation Bonds of 2006		\$ 135,000
General Obligation Bonds of 2007	\$ 1,680,000	2,465,000
Refunding Bonds of 2010	10,485,000	11,025,000
Refunding Bonds of 2013	8,835,000	8,900,000
Refunding Bonds of 2015	17,295,000	17,920,000
	<u>\$ 38,295,000</u>	<u>\$ 40,445,000</u>

For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Swedesboro-Woolwich Consolidated School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the sustained enrollment of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is decreased.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Christopher J. DeStratis, Business Administrator/Board Secretary at Swedesboro-Woolwich Consolidated Board of Education, 15 Frederick Boulevard, Woolwich Township, New Jersey 08085. Please visit our website at: www.Swedesboro-Woolwich.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	FY 2016
ASSETS			
Cash and cash equivalents	\$ 1,464,052	\$ 116,198	\$ 1,580,250
Investments	1,766,394		1,766,394
Interfund accounts receivable	5,770	102,271	108,041
Receivables	149,609	15,415	165,024
Inventory		12,164	12,164
Restricted assets:			
Restricted cash and cash equivalents	850,000		850,000
Capital reserve account - cash	179,146		179,146
Capital assets:			
Non-depreciable	10,472,909		10,472,909
Assets net of depreciation	30,169,204	178,890	30,348,094
Total assets	<u>45,057,084</u>	<u>424,938</u>	<u>45,482,022</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding bonds	1,607,594		1,607,594
Deferred outflows related to pension	1,322,367		1,322,367
Total deferred outflows of resources	<u>2,929,961</u>		<u>2,929,961</u>
LIABILITIES			
Accounts payable	22,100		22,100
Deferred revenue - local	6,680		6,680
Interfund accounts payable	105,689	263	105,952
Unearned revenue		13,734	13,734
Accrued interest payable	502,874		502,874
Noncurrent liabilities:			
Due within one year	2,434,018		2,434,018
Due beyond one year	37,200,764		37,200,764
Net pension liability	5,321,339		5,321,339
Total liabilities	<u>45,593,464</u>	<u>13,997</u>	<u>45,607,461</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	25,930		25,930
NET POSITION			
Invested in capital assets, net of related debt	2,180,877	178,890	2,359,767
Restricted for:			
Debt service	72,490		72,490
Capital projects	1,158,569		1,158,569
Other purposes	3,008,830		3,008,830
Unrestricted	(4,053,115)	232,051	(3,821,064)
Total net position	<u>\$ 2,367,651</u>	<u>\$ 410,941</u>	<u>\$ 2,778,592</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 6,441,003			\$ (6,441,003)		\$ (6,441,003)
Special education	3,100,061		\$ 396,953	(2,703,108)		(2,703,108)
Other special education	329,415			(329,415)		(329,415)
Other instruction	75,616			(75,616)		(75,616)
Support services:						
Student & instructional related services	2,358,652		59,744	(2,298,908)		(2,298,908)
General administrative services	635,017			(635,017)		(635,017)
School administrative services	785,907			(785,907)		(785,907)
Central services	205,775			(205,775)		(205,775)
Administrative information technology	443,897			(443,897)		(443,897)
Plant operations & maintenance	1,854,248			(1,854,248)		(1,854,248)
Pupil transportation	1,578,937			(1,578,937)		(1,578,937)
Employee benefits	7,384,989		22,100	(7,362,889)		(7,362,889)
Interest on long-term debt	1,374,812			(1,374,812)		(1,374,812)
Capital outlay	205,587			(205,587)		(205,587)
Transfer of funds to charter school	8,817			(8,817)		(8,817)
Unallocated depreciation	815,760			(815,760)		(815,760)
Total governmental activities	27,598,493		478,797	(27,119,696)		(27,119,696)
Business-type activities:						
Food service	603,028	\$ 408,809	207,254		\$ 13,035	13,035
Other activities	66,049	63,638			(2,411)	(2,411)
Total business-type activities	669,077	472,447	207,254		10,624	10,624
Total primary government	\$ 28,267,570	\$ 472,447	\$ 686,051	\$ (27,119,696)	\$ 10,624	\$ (27,109,072)
General revenues:						
Property taxes, levied for general purpose, net				\$ 15,039,801		\$ 15,039,801
Taxes levied for debt service				2,761,433		2,761,433
Federal and state aid not restricted				9,834,767		9,834,767
Tuition charges				210,694		210,694
Investment earnings				17,168	\$ 120	17,288
Miscellaneous income				194,275		194,275
Operating transfer				99,149	(99,149)	
Loss on disposal of assets				(28,780)	(452)	(29,232)
Prior year receivable adjustment					(2,850)	(2,850)
Total general revenues, special items, extraordinary items, and transfers				28,128,507	(102,331)	28,026,176
Change in net position				1,008,811	(91,707)	917,104
Net position - beginning				1,358,840	502,648	1,861,488
Net position - end				\$ 2,367,651	\$ 410,941	\$ 2,778,592

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2016
ASSETS					
Cash and cash equivalents	\$ 1,378,556		\$ 43,765	\$ 41,731	\$ 1,464,052
Investments	1,009,338		757,056		1,766,394
Interfund accounts receivable	12,728			30,759	43,487
Receivables from other governments	119,510	\$ 30,099			149,609
Restricted cash and cash equivalents	1,029,146				1,029,146
Total assets	\$ 3,549,278	\$ 30,099	\$ 800,821	\$ 72,490	\$ 4,452,688
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 22,100			\$ 22,100
Interfund accounts payable	\$ 105,689	1,319	\$ 36,398		143,406
Deferred revenue - local		6,680			6,680
Total liabilities	105,689	30,099	36,398		172,186
Fund balances:					
Restricted for:					
Excess surplus - current year	901,916				901,916
Excess surplus - prior year designated for subsequent year's expenditures	767,413				767,413
Maintenance reserve	850,000				850,000
Capital reserve account	394,146				394,146
Capital projects accounts			764,423		764,423
Debt service fund				\$ 70,321	70,321
Assigned to:					
Designated for subsequent year's expenditures	489,501			2,169	491,670
Other purposes	218,939				218,939
Unassigned:					
General fund	(178,326)				(178,326)
Total fund balances	3,443,589		764,423	72,490	4,280,502
Total liabilities and fund balances	\$ 3,549,278	\$ 30,099	\$ 800,821	\$ 72,490	

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$50,395,151 and the accumulated depreciation is \$9,753,038 (see Note 6).	\$ 40,642,113
Net pension liability adjustment for GASB Statement No. 68 and 71.	(4,024,902)
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(502,874)
Deferred amount of loss on refunding's on bonds are reported in the Governmental Fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the Statement of Activities.	1,607,594
Premiums are recorded in Governmental Funds in the year the bonds are issued but are capitalized in the Statement of Net Position. The premium for the 2015 refunding bond is \$1,037,524, the amortization is \$65,541, and the accumulated amortization is \$76,465.	(961,059)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(38,673,723)
Net position of Governmental Activities	\$ 2,367,651

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2016
REVENUES:					
Local tax levy	\$ 15,039,801			\$ 2,761,433	\$ 17,801,234
Tuition charges	210,694				210,694
Interest earned on investments	13,042		\$ 3,981		17,023
Interest earned on capital reserve funds	145				145
Miscellaneous	194,275	\$ 10,039			204,314
	<u>15,457,957</u>	<u>10,039</u>	<u>3,981</u>	<u>2,761,433</u>	<u>18,233,410</u>
State sources	9,188,781			630,801	9,819,582
Federal sources	15,185	468,758			483,943
	<u>24,661,923</u>	<u>478,797</u>	<u>3,981</u>	<u>3,392,234</u>	<u>28,536,935</u>
EXPENDITURES:					
Current:					
Regular instruction	6,419,895				6,419,895
Special education instruction	2,703,048	396,953			3,100,001
Other special instruction	329,280				329,280
Other instruction	75,616				75,616
Support services & undistributed costs:					
Student & instruction related services	2,278,619	59,744			2,338,363
General administrative services	578,954				578,954
School administrative services	781,466				781,466
Central services	205,775				205,775
Administrative information technology	443,897				443,897
Plant operations and maintenance	1,835,431				1,835,431
Pupil transportation	1,578,937				1,578,937
Employee benefits	7,156,909	22,100			7,179,009
Debt service:					
Principal				2,150,000	2,150,000
Interest and other charges				1,232,336	1,232,336
Capital outlay	428,266				428,266
Transfer of funds to charter school	8,817				8,817
	<u>24,824,910</u>	<u>478,797</u>		<u>3,382,336</u>	<u>28,686,043</u>
Excess (deficiency) of revenues over expenditures	<u>(162,987)</u>		<u>3,981</u>	<u>9,898</u>	<u>(149,108)</u>
Other financing sources (uses):					
Transfers of interest earned			(3,981)	3,981	
Transfer from enterprise fund	99,149				99,149
Capital leases (non-budgeted)	301,287				301,287
	<u>237,449</u>			<u>13,879</u>	<u>251,328</u>
Net change in fund balances	<u>237,449</u>			<u>13,879</u>	<u>251,328</u>
Fund balance - July 1	3,206,140		764,423	58,611	4,029,174
Fund balance - June 30	<u>\$ 3,443,589</u>		<u>\$ 764,423</u>	<u>\$ 72,490</u>	<u>\$ 4,280,502</u>

See accompanying notes to the basic financial statements.

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

Total net change in fund balances - Governmental Funds (from B-2)		\$ 251,328
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlay	\$ 222,679	
Depreciation expense	<u>(934,773)</u>	(712,094)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the Statement of Activities.</p>		
Bond principal payments		2,150,000
Capital lease obligation principal payments		8,130
<p>Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.</p>		
Capital lease obligation proceeds		(301,287)
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of premiums on bonds		65,541
Amortization of loss on refunding		(109,633)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(98,384)
<p>Pension contributions are reported in Governmental Funds as expenditures. However in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(202,226)
<p>In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds from disposal decrease financial resources. Thus the change in net position will differ from the change in fund balance by the cost of the asset removed.</p>		
		(28,780)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>(13,784)</u>
Change in net position of Governmental Activities		<u>\$ 1,008,811</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2016

	Business-type Activities - Enterprise Funds				Non-Major Enrichment	Totals FY 2016
	Major Fund Food Service Fund	Non-Major Drama Club	Major Fund Pay-to Play	Non-Major Summer Camp		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 97,358	\$ 7,080		\$ 18,314		\$ 122,752
Accounts receivable	15,415					15,415
Interfund accounts receivable	102,271					102,271
Inventories	12,164					12,164
Total current assets	<u>227,208</u>	<u>7,080</u>		<u>18,314</u>		<u>252,602</u>
Noncurrent assets:						
Furniture, machinery & equipment	501,585					501,585
Less: accumulated depreciation	(322,695)					(322,695)
Total noncurrent assets	<u>178,890</u>					<u>178,890</u>
Total assets	<u>406,098</u>	<u>7,080</u>		<u>18,314</u>		<u>431,492</u>
LIABILITIES						
Current liabilities:						
Cash deficit			\$ 6,554			6,554
Interfund accounts payable - general fund			263			263
Unearned revenue	13,734					13,734
Total current liabilities	<u>13,734</u>		<u>6,817</u>			<u>20,551</u>
NET POSITION						
Invested in capital assets, net of related debt	178,890					178,890
Unrestricted	213,474	7,080	(6,817)	18,314		232,051
Total net position	<u>\$ 392,364</u>	<u>\$ 7,080</u>	<u>\$ (6,817)</u>	<u>\$ 18,314</u>		<u>\$ 410,941</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Non-Major Enrichment	Totals FY 2016
	Major Fund Food Service Fund	Non-Major Drama Club	Major Fund Pay-to Play	Non-Major Summer Camp		
OPERATING REVENUES:						
Local sources:						
Daily sales - reimbursable programs:	\$ 271,308					\$ 271,308
Daily sales - special milk	135,567					135,567
Daily sales - non-reimbursable programs	1,934					1,934
Other		\$ 24,003	\$ 32,725	\$ 6,910		63,638
Total operating revenue	408,809	24,003	32,725	6,910		472,447
OPERATING EXPENSES:						
Salaries	184,476	11,005	34,150	4,380		234,011
Employee benefits	58,798					58,798
Supplies and materials	26,252	16,304	90	120		42,766
Other purchased services (400-500 series)	33,907					33,907
Depreciation	27,687					27,687
Cost of sales	256,908					256,908
Miscellaneous other expenses	15,000					15,000
Total operating expenses	603,028	27,309	34,240	4,500		669,077
Operating income (loss)	(194,219)	(3,306)	(1,515)	2,410		(196,630)
NON-OPERATING REVENUES:						
State sources:						
National school lunch program - state	6,136					6,136
Federal sources:						
National school lunch program	139,751					139,751
Food distribution program	61,367					61,367
Interest on investments	56				\$ 64	120

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Totals FY 2016
	Major Fund Food Service Fund	Non-Major Drama Club	Major Fund Pay-to Play	Non-Major Summer Camp	Non-Major Enrichment	
Loss on disposal of capital assets	(452)					(452)
Total non-operating revenues (expenses)	206,858				64	206,922
Net income (loss) before transfers	12,639	(3,306)	(1,515)	2,410	64	10,292
Transfer to general fund					(99,149)	(99,149)
Write off receivables					(2,850)	(2,850)
Net income (loss)	12,639	(3,306)	(1,515)	2,410	(101,935)	(91,707)
Total net position - beginning	379,725	10,386	(5,302)	15,904	101,935	502,648
Total net position - ending	<u>\$ 392,364</u>	<u>\$ 7,080</u>	<u>\$ (6,817)</u>	<u>\$ 18,314</u>		<u>\$ 410,941</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Totals FY 2016
	Major Fund	Non-Major	Major Fund	Non-Major	Major Fund	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	
Cash flows from operating activities:						
Receipts from customers	\$ 407,491	\$ 24,003	\$ 32,725	\$ 6,910	\$ 2,500	\$ 473,629
Payments to suppliers	(274,006)	(16,304)	(90)	(120)	(1,629)	(292,149)
Payments to employees	(184,476)	(11,005)	(34,150)	(4,380)		(234,011)
Payments for employee benefits	(58,798)					(58,798)
Net cash provided (used) by operating activities	(109,789)	(3,306)	(1,515)	2,410	871	(111,329)
Cash flows from non-capital financing activities:						
Cash received from state & federal reimbursements	146,973					146,973
Net cash provided by non-capital financing activities	146,973					146,973
Cash flows from investing activities:						
Interest on investments	56				64	120
Transfer to/from general fund	12,519				(99,149)	(86,630)
Interfund to general fund	(283)	(1,250)			(31,226)	(32,759)
Net cash provided by investing activities	12,292	(1,250)			(130,311)	(119,269)
Net increase in cash and cash equivalents	49,476	(4,556)	(1,515)	2,410	(129,440)	(83,625)
Cash and cash equivalents - July 1	47,882	11,636	(5,039)	15,904	129,440	199,823
Cash and cash equivalents - June 30	\$ 97,358	\$ 7,080	\$ (6,554)	\$ 18,314		\$ 116,198

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds				Major Fund Enrichment	Totals FY 2016
	Major Fund Food Service Fund	Non-Major Drama Club	Major Fund Pay-to Play	Non-Major Summer Camp		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (194,219)	\$ (3,306)	\$ (1,515)	\$ 2,410		\$ (196,630)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:						
Depreciation	27,687					27,687
Food distribution program	61,367					61,367
Change in assets and liabilities:						
(Increase) decrease in inventory	(3,306)					(3,306)
(Increase) decrease in accounts receivable	(1,753)				\$ 2,500	747
Increase (decrease) in accounts payable					(1,629)	(1,629)
Increase (decreased) in unearned revenue	435					435
	<u>\$ (109,789)</u>	<u>\$ (3,306)</u>	<u>\$ (1,515)</u>	<u>\$ 2,410</u>	<u>\$ 871</u>	<u>\$ (111,329)</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Trust Fund	Agency Funds	Totals FY 2016
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 141,296	\$ 168,180	\$ 309,476
Interfund receivable - general fund		3,418	3,418
Total assets	<u>141,296</u>	<u>\$ 171,598</u>	<u>312,894</u>
LIABILITIES			
Current liabilities:			
Payroll deductions and withholdings		\$ 110,049	110,049
Due to student groups		59,337	59,337
Interfund payable - general fund	3,295	2,212	5,507
Total current liabilities	<u>3,295</u>	<u>\$ 171,598</u>	<u>174,893</u>
NET POSITION			
Unemployment claims	<u>\$ 138,001</u>		<u>\$ 138,001</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2016

	Unemployment Trust Fund
ADDITIONS	
Contributions:	
Employees	\$ 32,283
Investment earnings:	
Interest	74
Total additions	32,357
DEDUCTIONS	
Unemployment claims	1,896
Quarterly contribution reports	9,385
Total deductions	11,281
Change in net position	21,076
Net position - beginning of year	116,925
Net position - end of year	\$ 138,001

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

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

The financial statements of the Board of Education of Swedesboro-Woolwich Consolidated School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity

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

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

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

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

B. Government-wide Statements

The School District's basic financial statements include both Government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the Government-wide and fund financial statements categorize primary activities as either Governmental or Business-type. The District's general, special revenue, capital projects and debt service are classified as Governmental Activities. The District's food service and latchkey programs are classified as Business-type Activities.

In the Government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts:

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide Statements (Continued)

invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

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

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

The District does allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and TPAF Social Security Contributions.

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

C. Fund Financial Statements

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

The District reports the following Governmental Funds:

GOVERNMENTAL FUNDS

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

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

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

PROPRIETARY FUNDS

The focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds account for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, Drama Club, Pay-to-Play Programs, and Camp Funds.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net position. Changes in net position and are reported using accounting principles similar to Proprietary Funds.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS (CONTINUED)

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

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

The Fiduciary Funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

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

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

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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.

E. Cash and Cash Equivalents

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Cash Equivalents (Continued)

All other investments are stated at fair value.

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

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

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

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

F. Inventories

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2016, consisted of the following:

Food - commodities	\$	6,135
Supplies		3,088
Food		2,941
		<u>12,164</u>

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

H. Revenues

Substantially all governmental fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its School District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

I. Expenditures

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

J. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted in the period in which such services are rendered or in which such events take place. In Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Receivables/Payables

Transfers between Governmental and Business-type Activities on the District-wide statements are reported in the same manner as general revenues. 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 the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

L. Accrued Salaries and Wages

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

M. Budgets/Budgetary Control

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Projects Fund presents the remaining project appropriations compared to current year expenditures.

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Budgets/Budgetary Control (Continued)

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

N. Encumbrances

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

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

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

O. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

P. Tuition Payable

Tuition charges for the fiscal year were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

Q. Unearned Revenue

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

R. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, Governmental Fund payables and accrued liabilities that once incurred; are paid in a timely manner and in full from current financial resources; are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds, are reported as liabilities on the fund financial statements, only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

S. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and

SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Allocation of Indirect Expenses (Continued)

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.

T. 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.

U. Use of Estimates

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

V. 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 borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

W. Fund Balance Reserves

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

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

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Fund Balance Reserves (Continued)

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

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

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

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

X. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Recent Accounting Pronouncements Not Yet Effective (Continued)

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

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

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

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

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

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

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2016 and 2015, was \$2,918,872 and \$2,744,331. As of June 30, 2016 and 2015, \$0 of the District's bank balance of \$3,625,286 and \$3,715,662, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

Investments are stated at fair value which approximates cost. The carrying amount of the District's investments at June 30, 2016 and 2015, was \$1,766,394 and \$1,757,037.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3: INVESTMENTS (CONTINUED)

As of June 30, 2016, the District held the following investments:

	Cost	Fair Value
Certificates of Deposits	\$ 1,752,000	\$ 1,758,823
GS Financial Sq Federal MMF	7,571	7,571
	\$ 1,759,571	\$ 1,766,394

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

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

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2016, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 93,892	\$ 459
Other	24,666	10,300
Federal aid	31,051	4,656
	\$ 149,609	\$ 15,415

NOTE 5: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of funds in the original 1991-1992 capital budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual

SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5: CAPITAL RESERVE ACCOUNT (CONTINUED)

General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The June 30, 2016, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2015	\$ 179,146
Deposits	
Board resolution	215,000
Ending balance June 30, 2016	<u>\$ 394,146</u>

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District are summarized below for the fiscal year ended June 30, 2016.

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2016</u>
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	<u>\$ 10,472,909</u>			<u>\$ 10,472,909</u>
Total capital assets not being depreciated	<u>10,472,909</u>			<u>10,472,909</u>
Land improvements	1,598,179	\$ 163,860		1,762,039
Building & site improvements	36,680,793			36,680,793
Machinery & equipment	<u>1,474,896</u>	<u>58,819</u>	<u>\$ (54,305)</u>	<u>1,479,410</u>
Totals at historical cost	<u>39,753,868</u>	<u>222,679</u>	<u>(54,305)</u>	<u>39,922,242</u>
Less: accumulated depreciation				
Land improvements	(696,820)	(68,006)		(764,826)
Building & building improvements	(7,546,504)	(726,799)		(8,273,303)
Machinery & equipment	<u>(600,466)</u>	<u>(139,968)</u>	<u>25,525</u>	<u>(714,909)</u>
Total accumulated depreciation	<u>(8,843,790)</u>	<u>(934,773)</u>	<u>25,525</u>	<u>(9,753,038)</u>
Governmental activities capital assets, net	<u>\$ 41,382,987</u>	<u>\$ (712,094)</u>	<u>\$ (28,780)</u>	<u>\$ 40,642,113</u>
Business-type activities:				
Machinery & equipment	\$ 506,085		\$ (4,500)	\$ 501,585
Less: accumulated depreciation	<u>(299,056)</u>	<u>\$ (27,687)</u>	<u>4,048</u>	<u>(322,695)</u>
Business-type capital assets, net	<u>\$ 207,029</u>	<u>\$ (27,687)</u>	<u>\$ (452)</u>	<u>\$ 178,890</u>

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation was charged to the following governmental programs:

General administration	\$ 47,143
Operation and maintenance	17,912
Educational media	21,269
Instruction	20,518
School administration	3,251
General administration	8,920
Unallocated	815,760
Total	<u>\$ 934,773</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently Funded Debt as of June 30, 2016, Consisted of the Following:

\$21,975,000 General Obligation Bonds of 2007 dated November 29, 2007, payable in annual installments through February 15, 2018. Interest is paid semi-annually at an interest rate from 4% to 4.125%. Of these bonds, \$15,435,000 were retired in 2015 by the issuance of the 2015 Refunding Bonds. The remaining balance as of June 30, 2016, was \$1,680,000.

\$12,875,000 Refunding Bonds of 2010 dated October 28, 2010, payable in annual installments through February 15, 2028. Interest is paid semi-annually at an interest rate from 2.5% to 4%. The remaining balance as of June 30, 2016, was \$10,485,000.

\$9,105,000 Refunding Bonds of 2013 dated May 2, 2013, payable in annual installments through January 15, 2031. Interest is paid semi-annually at an interest rate from 1% to 3%. The remaining balance as of June 30, 2016, was \$8,835,000.

\$17,920,000 Refunding Bonds of 2015 dated April 22, 2015, payable in annual installments through February 15, 2031. The Refunding Bonds were issued with a net interest cost of 1.542453% to advance refund \$1,605,000 of outstanding 2005 School Refunding Bonds, with an interest rate of 4% and a net interest costs of 2.971221% to advance refund \$15,435,000 of outstanding 2007 School Bonds with an average interest rate of 4.599684%. The net proceeds of \$18,775,499, including a premium of \$1,037,523 and net of payments of \$98,560 in underwriting fees and \$83,464 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District's financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$749,163. Interest is paid semi-annually at an interest rate from 1% to 5%. The remaining balance as of June 30, 2016, was \$17,295,000.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Long-Term Obligation Activity

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

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
Compensated absences	\$ 55,041	\$ 16,975	\$ 3,190	\$ 68,826	
Capital leases	16,740	301,287	8,130	309,897	\$ 53,477
Serial bonds payable	40,445,000		2,150,000	38,295,000	2,315,000
Premium on bond sale	1,026,600		65,541	961,059	65,541
	<u>\$ 41,543,381</u>	<u>\$ 318,262</u>	<u>\$ 2,226,861</u>	<u>\$ 39,634,782</u>	<u>\$ 2,434,018</u>

Capital Leases

The District has a capital lease outstanding for computers. Lease terms are three years with an interest rate of 5.899%, see Exhibit I-2. The following is a schedule of the future minimum lease payment under the capital lease.

Year Ended June 30,	Principal	Interest	Total
2017	\$ 53,477	\$ 11,390	\$ 64,867
2018	57,717	9,183	66,900
2019	60,062	6,838	66,900
2020	62,503	4,397	66,900
2021	65,043	1,857	66,900
2022	11,095	55	11,150
	<u>\$ 309,897</u>	<u>\$ 33,720</u>	<u>\$ 343,617</u>

Bonds Payable

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

Year Ended June 30,	Principal	Interest	Total
2017	\$ 2,315,000	\$ 1,284,025	\$ 3,599,025
2018	2,190,000	1,202,875	3,392,875
2019	2,260,000	1,131,675	3,391,675
2020	2,345,000	1,044,500	3,389,500
2021	2,465,000	951,775	3,416,775
2022-2026	13,650,000	3,404,313	17,054,313
2027-2031	13,070,000	1,261,113	14,331,113
	<u>\$ 38,295,000</u>	<u>\$ 10,280,276</u>	<u>\$ 48,575,276</u>

Bonds Authorized but Not Issued

As of June 30, 2016, the Board has \$0 of bonds authorized but not issued.

SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Other

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

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

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

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

NOTE 8: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System 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. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/acturial-rpts.shtml>.

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

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

SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: PENSION FUNDS (CONTINUED)

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

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for 7.06% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2016, 2015, and 2014, were \$203,801, \$176,221, and \$155,653, respectively, equal to the required contributions and retro adjustments for each year. The School District's contributions for TPAF for the years ending June 30, 2016, 2015, and 2014, were \$1,542,311, \$1,231,035, and \$967,846, respectively, were paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2016, 2015, and 2014; \$717,818, \$681,820, and \$669,499, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The Board's total payroll for the years ended June 30, 2016, 2015, and 2014, was \$12,581,443, \$11,927,061, and \$11,571,577, covered payroll was \$9,781,086, \$9,098,846, and \$8,885,377 for TPAF and \$1,601,284, \$1,676,600, and \$1,587,945 for PERS.

For the year ended June 30, 2016, the District recognized pension expense of \$406,027. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 548,335	
Net difference between expected and actual experience	126,948	
Net difference between projected and actual earnings on pension plan investments		\$ 25,930
Changes in proportion and differences between District contributions and proportionate share of contributions	443,283	
District contributions subsequent to the measurement date	203,801	
	\$ 1,322,367	\$ 25,930

\$203,801, reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2017	\$ 218,232
2018	218,232
2019	218,232
2020	277,859
2021	160,081
Thereafter	0
	\$ 1,092,636

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

	June 30, 2015	June 30, 2014
Collective deferred outflows of resources	\$ 3,578,755,666	\$ 952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
District's proportion	0.0237051833%	0.0213760411%

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et. seq.). The DCRP provides eligible members, and their beneficiaries,

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (Continued) - with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The District's employer contribution of 3% to DCRP for the years ending June 30, 2016, 2015 and 2014, were \$7,722, \$4,475, and \$5,309.

NOTE 9: POST-EMPLOYMENT BENEFITS

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

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

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

NOTE 10: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10: DEFERRED COMPENSATION (CONTINUED)

Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is Hartford.

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences using the termination method (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 District and its employees, is accrued as the employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation pay at their current rate of pay. Payment of accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 15 years of service with the District. Accumulated sick days are paid for certified and noncertified employees according to the following schedule with a maximum payment of \$8000.

- Ten (10) dollars per day for the first 50 days
- Twenty (20) dollars per day for the next 50 days
- Fifty (50) dollars per day for the next 50 days
- Hundred (100) dollars per day for days in excess of 150 days

For 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 in the Governmental Fund at June 30, 2016, is \$68,826. The liability for vested compensated absences in the Food Service Fund at June 30, 2016, is \$0.

NOTE 12: LABOR CONTRACTS

As of June 30, 2016, there are the following collective bargaining units in the Swedesboro-Woolwich Consolidated Board of Education. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Education Association	Teachers	6/30/2016	All teachers, teaching assistants, nurse, social workers, etc., excluding administrators
Administrator's Association	Administrators	6/30/2018	Principals, Vice-Principals, supervisor of curriculum, and supervisor of special education

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 13: EMPLOYEE BENEFITS

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. The District entered into a pre-tax benefits plan with USBAFlex. The medical care reimbursement plan maximum amount for staff was \$1,500 and \$5,000 for dependent care.

NOTE 14: RISK MANAGEMENT

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

Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2016, the District did not incur claims in excess of their coverage.

New Jersey Unemployment Compensation Insurance:

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

Fiscal Year	Interest Earned	Employee Contributions	Amount Reimbursed	NJ 927	Ending Balance
2015-2016	\$ 74	\$ 32,283	\$ 1,896	\$ 9,385	\$ 138,001
2014-2015	159	31,228	7,287	9,063	116,925
2013-2014	134	29,559	10,287		101,888

NOTE 15: OPERATING LEASES

The District has commitments to lease copiers under non-cancelable operating leases spanning 48 months. Monthly payments range from \$145 - \$1,032 per month. Total lease payments made during the year ended June 30, 2016, amounted to \$27,921. Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2017	\$ 10,415

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16: FUND BALANCE APPROPRIATED

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

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

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

Specific classifications of fund balance are summarized below:

Non-Spendable Fund Balance - The District had no non-spendable fund balance at June 30, 2016.

Restricted Fund Balance:

Capital Reserve Account - Of the \$394,146 balance in the capital reserve account at June 30, 2016, \$85,000 has been designated for utilization in the 2016-2017 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

Maintenance Reserve Account - Of the \$850,000 balance in the maintenance reserve account at June 30, 2015, \$100,000 has been designated for utilization in the 2016-2017 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

Excess Surplus - At June 30, 2016, excess surplus created in FY 2015, of \$767,413, will be utilized for expenditures in the 2016-2017 budget, while excess surplus created in FY 2016 of \$901,916 is restricted and will be utilized for budget expenditures in 2017-2018.

Debt Service Fund - At June 30, 2016, there was \$72,490 fund balance of which \$2,169 has been designated for utilization in the 2016-2017 budget.

Committed Fund Balance - The District had no committed fund balance at June 30, 2016.

Assigned Fund Balance - At June 30, 2016, the Board has assigned \$489,501 of General Fund balance that has been appropriated and included as anticipated revenue for the 2016-2017 budget. The District also has \$218,939 was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 16: FUND BALANCE APPROPRIATED (CONTINUED)

Unassigned Fund Balance - At June 30, 2016, the District has (\$178,326) of unassigned fund balance in the General Fund.

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016, is \$1,669,329.

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$178,326 (Exhibit B-1) in the General Fund as of June 30, 2016, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 19: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 34% of the District's 2015-2016 Governmental Fund revenue, while local tax levy accounted for approximately 62%.

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

The interfund balances remaining on the balance sheet at June 30, 2016.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	<u>From</u>	<u>To</u>
General fund	\$ 12,728	\$ 105,689
Special revenue fund		1,319
Capital projects fund		36,398
Debt service fund	30,759	
Enterprise funds:		
Food service fund	102,271	
Pay-to-play		263
Agency funds:		
Payroll agency	3,418	
Payroll		138
Unemployment		3,295
Student activity		2,074
	<u>\$ 149,176</u>	<u>\$ 149,176</u>

Interfunds are the result of prior year amounts which were created to cover cash flow needs as well as interest earnings. These interfunds are expected to be liquidated within the next fiscal year.

NOTE 21: COMMITMENTS AND CONTINGENCIES

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

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

NOTE 22: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2016 and October 24, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 15,039,801		\$ 15,039,801	\$ 15,039,801	
Tuition from other LEA's within state				210,694	\$ 210,694
Interest on investments				13,042	13,042
Interest on capital reserve funds				145	145
Miscellaneous	94,656		94,656	194,275	99,619
Total - local sources	15,134,457		15,134,457	15,457,957	323,500
State sources:					
Equalization aid	4,503,553		4,503,553	4,503,553	
Special education aid	1,002,741		1,002,741	1,002,741	
Security aid	141,800		141,800	141,800	
PARCC readiness	17,670		17,670	17,670	
Supplemental enrollment growth aid	963,615		963,615	963,615	
Underadequacy aid	4,684		4,684	4,684	
Per pupil growth aid	17,670		17,670	17,670	
Transportation aid	235,217		235,217	235,217	
Extraordinary aid				28,131	28,131
Non-public transportation aid				14,854	14,854
Teachers' pension and annuity fund (on-behalf non-budgeted)				704,019	704,019
TPAF post-retirement (on-behalf non-budgeted)				838,292	838,292
Reimbursed TPAF social security contributions (non-budgeted)				717,818	717,818
Total - state sources	6,886,950		6,886,950	9,190,064	2,303,114
Federal sources:					
Medicaid reimbursement	19,031		19,031	15,185	(3,846)
Total - federal sources	19,031		19,031	15,185	(3,846)
Total revenues	22,040,438		22,040,438	24,663,206	2,622,768

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	596,342	\$ 63,900	660,242	660,231	11
Grades 1-5	4,316,940	97,760	4,414,700	4,329,693	85,007
Grades 6-8	980,319	(67,500)	912,819	908,021	4,798
Regular programs - home instruction:					
Salaries of teachers	2,600	2,500	5,100	3,870	1,230
Purchased professional - educational services	7,800		7,800	5,314	2,486
Regular programs - undistributed instruction:					
Other salaries for instruction	23,072		23,072	21,960	1,112
Purchased professional - educational services	5,000		5,000	2,425	2,575
Other purchased services (400-500 series)	29,500	(7,300)	22,200	15,454	6,746
General supplies	353,019	146,424	499,443	470,931	28,512
Textbooks	17,800	(17,300)	500	53	447
Miscellaneous expenditures	16,875	(12,880)	3,995	1,943	2,052
Total regular programs	6,349,267	205,604	6,554,871	6,419,895	134,976
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	427,349	(19,720)	407,629	407,223	406
Other salaries for instruction	159,545	7,050	166,595	149,223	17,372
General supplies	12,000	(8,000)	4,000	3,934	66
Total learning and/or language disabilities	598,894	(20,670)	578,224	560,380	17,844
Multiple disabilities:					
Salaries of teachers	270,839	70	270,909	259,450	11,459
Other salaries for instruction	186,685	5,950	192,635	191,708	927
General supplies	7,000	(6,000)	1,000	943	57
Total multiple disabilities	464,524	20	464,544	452,101	12,443
Resource room:					
Salaries of teachers	1,242,814		1,242,814	1,241,088	1,726
Other salaries for instruction	79,925	900	80,825	80,297	528
General supplies	22,500	(13,449)	9,051	8,826	225
Total resource room	1,345,239	(12,549)	1,332,690	1,330,211	2,479
Preschool disabilities - part-time:					
Salaries of teachers	297,651	(40,000)	257,651	235,348	22,303
Other salaries for instruction	126,621	(729)	125,892	125,008	884
Total preschool disabilities - part-time	424,272	(40,729)	383,543	360,356	23,187
Total special education	2,832,929	(73,928)	2,759,001	2,703,048	55,953

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic skills/remedial:					
Salaries of teachers	394,584	(10,800)	383,784	329,280	54,504
Total basic skills/remedial	394,584	(10,800)	383,784	329,280	54,504
Bilingual:					
Salaries of teachers	27,819	2,500	30,319	29,541	778
Total bilingual	27,819	2,500	30,319	29,541	778
School sponsored co-curricular activities:					
Salaries	40,000		40,000	38,180	1,820
Total school sponsored co-curricular activities	40,000		40,000	38,180	1,820
Other instructional programs:					
Purchased services	5,123		5,123	4,210	913
Supplies and materials	400		400		400
Other objects	500		500	185	315
Total other instructional programs	6,023		6,023	4,395	1,628
Community service programs - operations:					
Purchased services	3,500		3,500	3,500	
Total community service programs	3,500		3,500	3,500	
Total other instructional programs	471,926	(8,300)	463,626	404,896	58,730
Total - instruction	9,654,122	123,376	9,777,498	9,527,839	249,659
Undistributed expenditures:					
Instruction					
Tuition to other LEA's within state-regular	40,000		40,000	10,732	29,268
Tuition to county special services and regional day schools	95,000	(2,960)	92,040	75,960	16,080
Tuition to private schools for the handicapped-state	366,000	(50,000)	316,000	6,008	309,992
Tuition other	7,000	2,960	9,960	9,800	160
Total tuition	508,000	(50,000)	458,000	102,500	355,500
Attendance and social work:					
Supplies and materials	200	250	450	448	2
Total attendance and social work	200	250	450	448	2
Health services:					
Salaries	275,214	(14,340)	260,874	260,871	3
Purchased professional/technical services	9,500	6,000	15,500	14,479	1,021
Other purchased services (400-500 series)	500		500	65	435
Supplies and materials	5,950	7,000	12,950	11,539	1,411
Other objects	3,125		3,125	1,218	1,907
Total health services	294,289	(1,340)	292,949	288,172	4,777

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Related services:					
Salaries of teachers	147,067	(19,900)	127,167	124,834	2,333
Purchased professional - educational services	673,068	(40,878)	632,190	553,427	78,763
General supplies	12,000	(4,000)	8,000	5,510	2,490
Other objects	2,000	(2,000)			
Total related services	834,135	(66,778)	767,357	683,771	83,586
Guidance services:					
Salaries of other professional staff	227,676	1,025	228,701	228,699	2
Supplies and materials	4,300	(500)	3,800	1,427	2,373
Total guidance services	231,976	525	232,501	230,126	2,375
Child study team:					
Salaries of other professional staff	345,406	1,255	346,661	345,646	1,015
Salaries of secretarial and clerical assistants	59,940		59,940	59,940	
Other salaries	47,100		47,100	27,306	19,794
Purchased professional - educational services	1,500	500	2,000	1,950	50
Purchased professional - technical services	50,600	6,700	57,300	46,414	10,886
Other purchased services (400-500 series)	3,000		3,000	376	2,624
Supplies and materials	12,000	(5,200)	6,800	6,103	697
Other objects	3,000		3,000	820	2,180
Total child study team services	522,546	3,255	525,801	488,555	37,246
Improvement of instructional services/ other support services - instructional staff:					
Salaries of supervisors of instruction	294,398	2,750	297,148	297,147	1
Other salaries	23,000		23,000	23,000	
Purchased professional - educational services	3,000		3,000	600	2,400
Other purchased services (400-500 series)	8,000	600	8,600	8,473	127
Supplies and materials	2,600		2,600	1,945	655
Total improvement of instructional services/ other support services - instructional staff	330,998	3,350	334,348	331,165	3,183
Educational media services/school library:					
Salaries	84,623		84,623	82,461	2,162
Purchased professional - technical services	7,500		7,500	6,432	1,068
Supplies and materials	16,250	(1,983)	14,267	11,816	2,451
Other objects	2,000	(1,000)	1,000		1,000
Total educational media services/school library	110,373	(2,983)	107,390	100,709	6,681
Instructional staff training:					
Other salaries	51,800	600	52,400	47,320	5,080
Purchased professional - educational services	10,000		10,000	5,853	4,147
Total instructional staff training	61,800	600	62,400	53,173	9,227

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support services general administration:					
Salaries	228,483		228,483	228,236	247
Legal services	40,000	28,000	68,000	51,806	16,194
Audit fees	25,000	(5,000)	20,000	18,825	1,175
Other professional services	66,000	(49,000)	17,000	16,960	40
Communications/telephone	150,180	(11,213)	138,967	134,302	4,665
Other purchased services (400-500 series)	77,000	32,700	109,700	109,106	594
Supplies and materials	5,212	620	5,832	5,745	87
Miscellaneous expenditures	15,000	(1,000)	14,000	13,974	26
Total support services general administration	606,875	(4,893)	601,982	578,954	23,028
Support services school administration:					
Salaries of principals/assistant principals	532,433		532,433	524,996	7,437
Salaries of secretarial and clerical assistants	231,545	(13,000)	218,545	216,218	2,327
Other purchased services (400-500 series)	9,725	(3,376)	6,349	5,945	404
Supplies and materials	26,500	8,250	34,750	24,205	10,545
Other objects	19,600		19,600	10,102	9,498
Total support services school administration	819,803	(8,126)	811,677	781,466	30,211
Central services:					
Salaries	195,899		195,899	194,878	1,021
Other purchased services (400-500 series)	1,500	250	1,750	1,287	463
Supplies and materials	10,000	(2,300)	7,700	7,376	324
Other objects	3,000		3,000	2,234	766
Total central services	210,399	(2,050)	208,349	205,775	2,574
Administration information technology:					
Salaries	263,337	(11,421)	251,916	217,633	34,283
Purchased technical services	68,625	142,200	210,825	210,782	43
Other purchased services (400-500 series)	8,700		8,700	2,140	6,560
Supplies and materials	22,756	5,591	28,347	13,226	15,121
Other objects	2,000		2,000	116	1,884
Total administration information technology	365,418	136,370	501,788	443,897	57,891
Required maintenance:					
Salaries	151,160	(8,880)	142,280	142,276	4
Cleaning, repair, and maintenance services	441,255	(183,057)	258,198	147,755	110,443
General supplies	10,000		10,000	9,608	392
Other objects	2,500	3,300	5,800	5,732	68
Total required maintenance	604,915	(188,637)	416,278	305,371	110,907

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Custodial services:					
Salaries	285,821		285,821	285,781	40
Salaries non-instructional aides	113,400		113,400	95,205	18,195
Purchased professional - technical services	84,050	(4,034)	80,016	79,993	23
Cleaning, repair, and maintenance services	285,280	9,150	294,430	294,076	354
Other purchased property services	122,430	12,438	134,868	134,859	9
Insurance	89,966		89,966	87,204	2,762
General supplies	20,000	13,000	33,000	31,045	1,955
Natural gas	26,000	33,050	59,050	35,949	23,101
Electricity	430,000	(22,620)	407,380	407,169	211
Other objects	2,000		2,000	1,085	915
Total custodial services	1,458,947	40,984	1,499,931	1,452,366	47,565
Care & upkeep grounds:					
Cleaning, repair, and maintenance services	80,000	(8,000)	72,000	63,280	8,720
General supplies	10,000	(2,000)	8,000	5,414	2,586
Total care & upkeep grounds	90,000	(10,000)	80,000	68,694	11,306
Security:					
Purchased professional - technical services	17,000	(1,500)	15,500	5,865	9,635
Cleaning, repair, and maintenance services	3,000	(2,000)	1,000	651	349
General supplies	2,000	1,500	3,500	2,484	1,016
Total security	22,000	(2,000)	20,000	9,000	11,000
Total operation & maintenance of plant services	2,175,862	(159,653)	2,016,209	1,835,431	180,778
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	20,700		20,700	20,700	
Other purchased professional/technical service	5,000	1,000	6,000	5,445	555
Aid in lieu - nonpublic	70,000	10,000	80,000	76,206	3,794
Contracted services (other than between home and school) - vendors	5,000	(1,000)	4,000	1,214	2,786
Contracted services (between home and school) - joint agreements	1,248,062	(19,250)	1,228,812	1,172,619	56,193
Contracted services (special education students) - joint agreements	333,000	(32,000)	301,000	300,847	153
Travel and workshops		1,000	1,000	709	291
General supplies	600		600	592	8
Other objects	150	2,800	2,950	605	2,345
Total student transportation services	1,682,512	(37,450)	1,645,062	1,578,937	66,125

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Social security contributions	189,000	1,550	190,550	190,547	3
Other retirement regular	238,000	(15,000)	223,000	216,729	6,271
Unemployment compensation	9,000		9,000		9,000
Workmen's compensation	122,000	166	122,166	121,112	1,054
Health benefits	4,476,156	(108,941)	4,367,215	4,293,410	73,805
Tuition reimbursement	70,000	(14,230)	55,770	43,984	11,786
Other employee benefits	30,240	2,284	32,524	30,998	1,526
Total unallocated benefits	5,134,396	(134,171)	5,000,225	4,896,780	103,445
Teachers' pension and annuity fund (on-behalf non-budgeted)				704,019	(704,019)
TPAF post-retirement (on-behalf non-budgeted)				838,292	(838,292)
Reimbursed TPAF social security contributions (non-budgeted)				717,818	(717,818)
Total non-budgeted				2,260,129	(2,260,129)
Total personal services - employee benefits	5,134,396	(134,171)	5,000,225	7,156,909	(2,156,684)
Total undistributed expenditures	13,889,582	(323,094)	13,566,488	14,859,988	(1,293,500)
Total expenditures - current expense	23,543,704	(199,718)	23,343,986	24,387,827	(1,043,841)
CAPITAL OUTLAY:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		15,047	15,047	15,047	
Grades 6-8		40,000	40,000		40,000
Central services		5,280	5,280	5,279	1
Administration information technology	14,400	(966)	13,434	13,434	
Requirement maintenance		6,100	6,100	6,090	10
Security		134,257	134,257		134,257
Total equipment	14,400	199,718	214,118	39,850	174,268
Facilities acquisition and construction services:					
SDA Assessment for debt service	87,129		87,129	87,129	
Total facilities acquisition and construction services	87,129		87,129	87,129	
Assets acquired under capital leases (non-budgeted)					
Support services - students regular				301,287	(301,287)
Total capital outlay	101,529	199,718	301,247	428,266	(127,019)
Transfer of funds to charter school	8,817		8,817	8,817	
Total expenditures	23,654,050		23,654,050	24,824,910	(1,170,860)
Excess (deficiency) of revenues over (under) expenditures	(1,613,612)		1,613,612	(161,704)	1,451,908

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Transfer from enrichment fund				99,149	(99,149)
Capital leases (non-budgeted)				301,287	(301,287)
Total other financing sources (uses)				400,436	(400,436)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,613,612)		1,613,612	238,732	1,051,472
Fund balances - July 1	3,871,438		3,871,438	3,871,438	
Fund balances - June 30	\$2,257,825		\$5,485,050	\$4,110,170	\$1,051,472
Recapitulation:					
Restricted fund balance:					
Capital reserve				\$ 394,146	
Maintenance reserve				850,000	
Excess surplus - designated for subsequent year's expenditures				767,413	
Excess surplus - current year				901,916	
Assigned fund balance:					
Designated for subsequent year's expenditures				489,501	
Year-end encumbrances				218,939	
Unassigned fund balance				488,255	
				4,110,170	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(666,581)	
Fund balance per Governmental Funds (GAAP)				\$3,443,589	

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 340,000	\$ 133,686	\$ 473,686	\$ 468,758	\$ 4,928
Local sources		11,007	11,007	10,039	968
Total revenues	<u>\$ 340,000</u>	<u>\$ 144,693</u>	<u>\$ 484,693</u>	<u>\$ 478,797</u>	<u>\$ 5,896</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 340,000	\$ (252,345)	\$ 87,655	\$ 87,655	
Purchased professional - technical services		18,302	18,302	18,302	
General supplies		20,891	20,891	19,923	\$ 968
Tuition		274,000	274,000	271,073	2,927
Total Instruction	<u>340,000</u>	<u>60,848</u>	<u>400,848</u>	<u>396,953</u>	<u>3,895</u>
Support services:					
Personal services - employee benefits		22,100	22,100	22,100	
Purchased professional - technical services		61,745	61,745	59,744	2,001
Total support services		<u>83,845</u>	<u>83,845</u>	<u>81,844</u>	<u>2,001</u>
Total expenditures	<u>\$ 340,000</u>	<u>\$ 144,693</u>	<u>\$ 484,693</u>	<u>\$ 478,797</u>	<u>\$ 5,896</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] \$ 24,663,206	[C-2] \$ 478,797
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(666,581)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	665,298	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.	[B-2] \$ 24,661,923	[B-2] \$ 478,797
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 24,824,910	[C-2] \$ 478,797
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	[B-2] \$ 24,824,910	[B-2] \$ 478,797

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0237051833%	0.0213760411%	0.0206578924%
District's proportionate share of the net pension liability (asset)	\$ 5,321,339	\$ 4,002,180	\$ 3,948,134
District's covered-employee payroll	1,676,600	1,587,945	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	317.39%	252.04%	N/A
Plan fiduciary net position as a percentage of the total pension liability	47.92%	52.08%	48.72%
Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013
N/A Not available			

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	2016	2015	2014
Contractually required contribution	\$ 203,801	\$ 176,221	\$ 155,653
Contributions in relation to the contractually required contribution	\$ 203,801	176,221	155,653
Contribution deficiency (excess)	None	None	None
District's covered-employee payroll	\$ 1,676,600	\$ 1,587,945	N/A
Contributions as a percentage of covered-employee payroll	12.16%	11.10%	N/A
Measurement Date	June 30, 2015	June 30, 2014	June 30, 2013
N/A Not available			

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0880003313%	0.0866725117%	0.0835205482%
District's proportionate share of the net pension liability (asset)	\$ 55,619,967	\$ 46,323,637	\$ 42,210,628
District's covered-employee payroll	9,098,846	8,885,377	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	611.29%	521.35%	N/A
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%
Measurement date	June 30, 2015	June 30, 2014	June 30, 2013

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

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

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

N/A Not available

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

NOTE 1: CONTRIBUTIONS

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

NOTE 2: ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2015, measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2014, measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Total Brought Forward Ex. E-1a	Title I Part A	IDEA-Part B - Basic	IDEA Preschool	Totals	
					FY 2016	FY 2015
REVENUES:						
Federal sources	\$ 36,266	\$ 114,086	\$ 301,138	\$ 17,268	\$ 468,758	\$ 432,393
Local sources	10,039				10,039	7,699
Total revenues	\$ 46,305	\$ 114,086	\$ 301,138	\$ 17,268	\$ 478,797	\$ 440,092
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$ 2,655	\$ 85,000			\$ 87,655	\$ 67,431
Purchased professional - technical services	1,034			\$ 17,268	18,302	62,872
Purchased professional - educational services						16,911
General supplies	12,937	6,986			19,923	10,784
Tuition			\$ 271,073		271,073	238,310
Total instruction	16,626	91,986	271,073	17,268	396,953	396,308
Support services:						
Salaries						5,000
Personal services - employee benefits		22,100			22,100	17,257
Purchased professional - technical services	29,679		30,065		59,744	21,527
Total support services	29,679	22,100	30,065		81,844	43,784
Total expenditures	\$ 46,305	\$ 114,086	\$ 301,138	\$ 17,268	\$ 478,797	\$ 440,092

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

	Title II, Part A Teacher & Principal Training & Recruiting	Title III	Gloucester & Salem Community Advisory Panel	NJ-SBA Safety Grant	Exxon- Mobile	Ann Green Communications Grant	Total Carried Forward
REVENUES:							
Federal sources	\$ 29,679	\$ 6,587					\$ 36,266
Local sources			\$ 1,237	\$ 4,311	\$ 2,000	\$ 2,491	10,039
Total revenues	<u>\$ 29,679</u>	<u>\$ 6,587</u>	<u>\$ 1,237</u>	<u>\$ 4,311</u>	<u>\$ 2,000</u>	<u>\$ 2,491</u>	<u>\$ 46,305</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers		\$ 2,655					\$ 2,655
Purchased professional - technical services		1,034					1,034
General supplies		2,898	\$ 1,237	\$ 4,311	\$ 2,000	\$ 2,491	12,937
Total instruction		<u>6,587</u>	<u>1,237</u>	<u>4,311</u>	<u>2,000</u>	<u>2,491</u>	<u>16,626</u>
Support services:							
Purchased professional/technical services	\$ 29,679						29,679
Total support services	<u>29,679</u>						<u>29,679</u>
Total expenditures	<u>\$ 29,679</u>	<u>\$ 6,587</u>	<u>\$ 1,237</u>	<u>\$ 4,311</u>	<u>\$ 2,000</u>	<u>\$ 2,491</u>	<u>\$ 46,305</u>

CAPITAL PROJECTS FUND

SWEDESBORO-WOOLWICH CONSOLIDATED DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
June 30, 2016

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2016
			Prior Years	Current Year	
Construction of Charles G. Harker School	12/13/05	\$ 31,875,000	\$ 31,110,577		\$ 764,423
		\$ 31,875,000	\$ 31,110,577		\$ 764,423

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2016

	FY 2016
Revenues & other financing sources	
Interest earned	\$ 3,981
Total revenues	3,981
Excess (deficiency) or revenues over (under) expenditures	3,981
Other financing sources (uses):	
Transfer to debt service fund	(3,981)
Fund balance - beginning	764,423
Fund balance - ending	\$ 764,423

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Construction of Charles G. Harker School
 From Inception and for the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues & other financing sources				
Bond proceeds	\$ 31,875,000		\$ 31,875,000	\$ 31,875,000
Total revenues	31,875,000		31,875,000	31,875,000
Expenditures & other financing uses				
Purchased professional & technical services	4,592,462		4,592,462	
Construction services	24,531,562		24,531,562	31,875,000
Equipment purchases	1,457,289		1,457,289	
Transfers to debt service fund - principal due on outstanding bonds	529,264		529,264	
Total expenditures	31,110,577		31,110,577	31,875,000
Excess (deficiency) or revenues over (under) expenditures	\$ 764,423	None	\$ 764,423	
Additional project information:				
Project number	Not available			
Grant date	Not available			
Bond authorization date	12/13/05			
Bonds authorized	\$ 31,875,000			
Bonds issued	31,875,000			
Original authorized cost	31,875,000			
Additional authorized cost	None			
Revised authorized cost	31,875,000			
Percentage increase over original authorized cost	0%			
Percentage completion	100%			
Original target completion date	Not available			
Revised target completion date	Not available			

PROPRIETARY FUNDS

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2016

	Business-type Activities					Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	FY 2016	FY 2015
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 97,358	\$ 7,080		\$ 18,314		\$ 122,752	\$ 204,862
Accounts receivable:							
State	459					459	710
Federal	10,300					10,300	11,136
Other	4,656					4,656	8,353
Interfund accounts receivable	102,271					102,271	114,506
Inventory	12,164					12,164	8,858
Total current assets	<u>227,208</u>	<u>7,080</u>		<u>18,314</u>		<u>252,602</u>	<u>348,425</u>
Non-current assets							
Machinery and equipment	501,585					501,585	506,085
Less: accumulated depreciation	(322,695)					(322,695)	(299,056)
Total non-current assets	<u>178,890</u>					<u>178,890</u>	<u>207,029</u>
Total assets	<u>406,098</u>	<u>7,080</u>		<u>18,314</u>		<u>431,492</u>	<u>555,454</u>
LIABILITIES AND NET POSITION							
Current liabilities:							
Cash deficit			\$ 6,554			6,554	5,039
Accounts payable							1,629
Interfund accounts payable: general fund			263			263	32,739
Unearned revenue	13,734					13,734	13,399
Total current liabilities	<u>13,734</u>		<u>6,817</u>			<u>20,551</u>	<u>52,806</u>
Net Position:							
Invested in capital assets, net of related debt	178,890					178,890	207,029
Unrestricted	213,474	7,080	(6,817)	18,314		232,051	295,619
Total net position	<u>\$ 392,364</u>	<u>\$ 7,080</u>	<u>\$ (6,817)</u>	<u>\$ 18,314</u>		<u>\$ 410,941</u>	<u>\$ 502,648</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Business-type Activities					Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	FY 2016	FY 2015
OPERATING REVENUES:							
Local sources:							
Daily sales-reimbursable programs:	\$ 271,308					\$ 271,308	\$ 273,597
Daily sales non-reimbursable programs	135,567					135,567	124,978
Special function/miscellaneous	1,934					1,934	1,176
Program fees		\$ 24,003	\$ 32,725	\$ 6,910		63,638	326,102
Total operating revenue	408,809	24,003	32,725	6,910		472,447	725,853
OPERATING EXPENSES:							
Salaries	184,476	11,005	34,150	4,380		234,011	395,128
Employee benefits	58,798					58,798	57,439
Supplies and materials	26,252	16,304	90	120		42,766	71,682
Other purchased professional services	33,907					33,907	31,214
Depreciation	27,687					27,687	28,379
Contracted services (between home and school)							30,440
Cost of sales	256,908					256,908	243,905
Miscellaneous other expenses	15,000					15,000	16,077
Total operating expenses	603,028	27,309	34,240	4,500		669,077	874,264
Operating income (loss)	(194,219)	(3,306)	(1,515)	2,410		(196,630)	(148,411)
NON-OPERATING REVENUES:							
State sources:							
National school lunch program - state	6,136					6,136	6,473
Federal sources:							
National school lunch program	139,751					139,751	128,208
Food distribution program	61,367					61,367	46,029
Interest on investment	56				\$ 64	120	407
Loss on disposal of capital assets	(452)					(452)	
Total non-operating revenues (expenses)	206,858				64	206,922	181,117
Net income (loss) before transfers	12,639	(3,306)	(1,515)	2,410	64	10,292	32,706

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2016

	Business-type Activities					Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	FY 2016	FY 2015
Loss from inventory - food							(1,238)
Loss from inventory - commodities							(7,148)
Capital assets							55,404
Transfer to general fund					(99,149)	(99,149)	
Write off receivables					(2,850)	(2,850)	
Prior year receivable adjustment							1,000
Net income (loss)	12,639				(101,935)	(91,707)	80,724
Total net position - July 1	379,725	10,386	(5,302)	15,904	101,935	502,648	421,924
Total net position - June 30	<u>\$ 392,364</u>	<u>\$ 7,080</u>	<u>\$ (6,817)</u>	<u>\$ 18,314</u>		<u>\$ 410,941</u>	<u>\$ 502,648</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Business-type Activities					Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	FY 2016	FY 2015
Cash flows from operating activities:							
Receipts from customers	\$ 407,491	\$ 24,003	\$ 32,725	\$ 6,910	\$ 2,500	\$ 473,629	\$ 718,612
Payments to suppliers	(274,006)	(16,304)	(90)	(120)	(1,629)	(292,149)	(583,205)
Payments to employees	(184,476)	(11,005)	(34,150)	(4,380)		(234,011)	(395,128)
Payments for employee benefits	(58,798)					(58,798)	(57,439)
Net cash provided (used) by operating activities	(109,789)	(3,306)	(1,515)	2,410	871	(111,329)	(317,160)
Cash flows from non-capital financing activities:							
Cash received from state reimbursements	6,386					6,386	7,005
Cash received from federal reimbursements	140,587					140,587	143,533
Net cash provided by non-capital financing activities	146,973					146,973	150,538
Cash flows from investing activities:							
Loss on disposal of capital assets							
Interest on investments	56				64	120	407
Transfer to/from general fund	12,519				(99,149)	(86,630)	
Interfund to general fund	(283)	(1,250)			(31,226)	(32,759)	2,565
Net cash provided by investing activities	12,292	(1,250)			(130,311)	(119,269)	2,972
Net increase in cash and cash equivalents	49,476	(4,556)	(1,515)	2,410	(129,440)	(83,625)	(163,650)
Cash and cash equivalents - July 1	47,882	11,636	(5,039)	15,904	129,440	199,823	363,473
Cash and cash equivalents - June 30	\$ 97,358	\$ 7,080	\$ (6,554)	\$ 18,314		\$ 116,198	\$ 199,823

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016

	Business-type Activities					Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	Enrichment	FY 2016	FY 2015
	_____	_____	_____	_____	_____	_____	_____
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (194,219)	\$ (3,306)	\$ (1,515)	\$ 2,410		\$ (196,630)	\$ (148,411)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:							
Depreciation	27,687					27,687	28,379
Food distribution program	61,367					61,367	46,029
Change in assets and liabilities:							
(Increase) decrease in inventory	(3,306)					(3,306)	(2,966)
(Increase) decrease in accounts receivable	(1,753)				\$ 2,500	747	(2,435)
Increase (decrease) in accounts payable					(1,629)	(1,629)	(232,950)
Increase (decrease) in unearned revenue	435					435	(4,806)
	<u>\$ (109,789)</u>	<u>\$ (3,306)</u>	<u>\$ (1,515)</u>	<u>\$ 2,410</u>	<u>\$ 871</u>	<u>\$ (111,329)</u>	<u>\$ (317,160)</u>

FIDUCIARY FUNDS

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Unemployment Trust Fund	Agency Funds	Totals	
			FY 2016	FY 2015
ASSETS				
Cash and cash equivalents	\$ 141,296	\$ 168,180	\$ 309,476	\$ 279,483
Interfund receivables:				
General fund		3,418	3,418	3,414
Total assets	<u>141,296</u>	<u>\$ 171,598</u>	<u>312,894</u>	<u>282,897</u>
LIABILITIES				
Payroll deductions and withholdings		\$ 110,049	110,049	106,545
Due to student groups		59,337	59,337	53,907
Interfund payables:				
General fund	3,295	2,212	5,507	5,520
Total liabilities	<u>3,295</u>	<u>\$ 171,598</u>	<u>174,893</u>	<u>165,972</u>
NET POSITION				
Held in trust for:				
Scholarships				
Unemployment claims	138,001		138,001	116,925
Total net position	<u>\$ 138,001</u>		<u>\$ 138,001</u>	<u>\$ 116,925</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Scholarship Trust Fund	Unemployment Trust Fund	Totals	
			FY 2016	FY 2015
ADDITIONS:				
Contributions:				
Employees		\$ 32,283	\$ 32,283	\$ 31,228
		32,283	32,283	31,228
Investment earnings:				
Interest		74	74	159
Total additions		32,357	32,357	31,387
DEDUCTIONS:				
Unemployment claims		1,896	1,896	7,287
Quarterly contribution reports		9,385	9,385	9,063
Scholarship payments				73
Total deductions		11,281	11,281	16,423
Change in net position		21,076	21,076	14,964
Net position - beginning of year		116,925	116,925	101,961
Net position - end of year		\$ 138,001	\$ 138,001	\$ 116,925

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
ACTIVITIES:				
Margaret Clifford - Grade Pre-K	\$ 4,514	\$ 9,523	\$ 5,478	\$ 8,559
Charles Stratton - Grades 1-2	14,993	17,063	17,373	14,683
Charles Harker - Grades 3-5	21,616	36,038	28,704	28,950
Walter Hill School - Grade 6	14,858	34,428	40,067	9,219
	<u>\$ 55,981</u>	<u>\$ 97,052</u>	<u>\$ 91,622</u>	<u>\$ 61,411</u>
		Less: Interfund		<u>\$ 2,074</u>
				<u>\$ 59,337</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
ASSETS				
Cash and cash equivalents	\$ 103,282	\$ 13,740,094	\$ 13,736,607	\$ 106,769
Interfund accounts receivable	3,414	4		3,418
Total assets	<u>\$ 106,696</u>	<u>\$ 13,740,098</u>	<u>\$ 13,736,607</u>	<u>\$ 110,187</u>
LIABILITIES				
Employees' net pay		\$ 7,746,194	\$ 7,746,194	
Payroll deductions and withholdings	\$ 106,545	5,993,660	5,990,156	\$ 110,049
Interfund payable	151	244	257	138
Total liabilities	<u>\$ 106,696</u>	<u>\$ 13,740,098</u>	<u>\$ 13,736,607</u>	<u>\$ 110,187</u>

LONG-TERM DEBT

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 General Long-Term Debt Account Group
 Schedule of Serial Bonds
 June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	(Refunded)/ Issued	Retired	Balance June 30, 2016
			Date	Amount					
New School Project	07/15/06	\$ 9,900,000				\$ 135,000		\$ 135,000	
New School Project	11/29/07	21,975,000	02/15/17	\$ 820,000	4.000%				
			02/15/18	860,000	4.125%	2,465,000		785,000	\$ 1,680,000
Refunding Bonds of 2010	10/28/10	12,875,000	02/15/17	840,000	4.000%				
			02/15/18	835,000	2.500%				
			02/15/19	825,000	2.500%				
			02/15/20	810,000	2.750%				
			02/15/21	945,000	3.000%				
			02/15/22	930,000	3.000%				
			02/15/23	915,000	3.250%				
			02/15/24	905,000	3.250%				
			02/15/25	890,000	3.250%				
			02/15/26	880,000	3.500%				
			02/15/27	865,000	3.500%				
			02/15/28	845,000	3.625%	11,025,000		540,000	10,485,000

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2015	(Refunded)/ Issued	Retired	Balance June 30, 2016
			Date	Amount					
Refunding Bonds of 2013	05/02/13	9,105,000	01/15/17	165,000	3.000%	8,900,000		65,000	8,835,000
			01/15/18	205,000	3.000%				
			01/15/18	260,000	3.000%				
			01/15/20	315,000	3.000%				
			01/15/21	455,000	3.000%				
			01/15/22	510,000	3.000%				
			01/15/23	565,000	3.000%				
			01/15/24	625,000	3.000%				
			01/15/25	680,000	3.000%				
			01/15/26	745,000	2.375%				
			01/15/27	805,000	2.500%				
			01/15/28	875,000	3.000%				
			01/15/29	890,000	3.000%				
			01/15/30	875,000	3.000%				
01/15/31	865,000	3.000%							
Refunding Bonds of 2015	04/22/15	17,920,000	02/15/17	490,000	2.000%	17,920,000		625,000	17,295,000
			02/15/18	290,000	3.000%				
			02/15/19	1,175,000	5.000%				
			02/15/20	1,220,000	5.000%				
			02/15/21	1,065,000	5.000%				
			02/15/22	1,115,000	5.000%				
			02/15/23	1,170,000	3.000%				
			02/15/24	1,210,000	2.250%				
			02/15/25	1,235,000	3.000%				
			02/15/26	1,275,000	3.000%				
			02/15/27	1,320,000	3.000%				
			02/15/28	1,360,000	3.000%				
			02/15/29	1,410,000	3.000%				
			02/15/30	1,450,000	4.000%				
02/15/31	1,510,000	4.000%							
						<u>17,920,000</u>		<u>625,000</u>	<u>17,295,000</u>
						<u>\$ 40,445,000</u>	<u>None</u>	<u>\$ 2,150,000</u>	<u>\$ 38,295,000</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2016

Purpose	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Amount Outstanding	Issued	Retired	Amount Outstanding
			Principal	Interest		July 1, 2015			June 30, 2016
2014 Computers	08/01/14	3 years	\$ 25,857	1,495	5.899%	\$ 16,740		\$ 8,130	\$ 8,610
Copiers	04/28/16	5 years	301,287	33,721	3.990%		\$ 301,287		301,287
						<u>\$ 16,740</u>	<u>\$ 301,287</u>	<u>\$ 8,130</u>	<u>\$ 309,897</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,761,433		\$ 2,761,433	\$ 2,761,433	
State sources:					
Debt service aid type II	630,801		630,801	630,801	
Total revenues	<u>3,392,234</u>		<u>3,392,234</u>	<u>3,392,234</u>	
EXPENDITURES:					
Regular debt service:					
Interest	1,478,676	\$ (180,000)	1,298,676	1,232,336	\$ 66,340
Redemption of principal	1,970,000	180,000	2,150,000	2,150,000	
Total regular debt service	<u>3,448,676</u>		<u>3,448,676</u>	<u>3,382,336</u>	<u>66,340</u>
Total expenditures	<u>3,448,676</u>		<u>3,448,676</u>	<u>3,382,336</u>	<u>66,340</u>
Excess of revenues over expenditures	<u>(56,442)</u>		<u>(56,442)</u>	<u>9,898</u>	<u>66,340</u>
Other financing sources (uses):					
Transfer from capital projects:					
Interest earned				3,981	3,981
Net changes in fund balance	(56,442)		(56,442)	13,879	70,321
Fund balance - July 1	58,611		58,611	58,611	
Fund balance - June 30	<u>\$ 2,169</u>		<u>\$ 2,169</u>	<u>\$ 72,490</u>	<u>\$ 70,321</u>

STATISTICAL SECTION
(Unaudited)

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
STATISTICAL SECTION**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	109-114
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	115-120
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	121-125
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	126-127
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	128-132

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Net Position By Component
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2016
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,883,717	\$ 1,973,437	\$ 6,757,984	\$ 8,114,903	\$ (4,895,336)	\$ (4,886,612)	\$ (5,242,056)	\$ (4,679,880)	\$ 1,207,384	\$ 2,180,877
Restricted	9,059,339	8,239,995	3,595,545	1,973,560	1,849,755	2,543,875	4,265,673	4,223,547	4,167,437	4,239,889
Unrestricted	(151,624)	(389,022)	(104,435)	(276,220)	153,599	212,208	(355,847)	(236,780)	(4,015,981)	(4,053,115)
Total governmental activities net position	<u>\$ 10,791,432</u>	<u>\$ 9,824,410</u>	<u>\$ 10,249,094</u>	<u>\$ 9,812,244</u>	<u>\$ (2,891,982)</u>	<u>\$ (2,130,530)</u>	<u>\$ (1,332,230)</u>	<u>\$ (693,114)</u>	<u>\$ 1,358,840</u>	<u>\$ 2,367,651</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 200,473	\$ 187,497	\$ 167,851	\$ 148,588	\$ 190,237	\$ 164,144	\$ 140,058	\$ 180,004	\$ 207,029	\$ 178,890
Unrestricted	143,232	164,762	110,817	137,660	151,252	232,230	220,170	241,921	295,619	232,051
Total business-type activities net position	<u>\$ 343,705</u>	<u>\$ 352,259</u>	<u>\$ 278,668</u>	<u>\$ 286,247</u>	<u>\$ 341,489</u>	<u>\$ 396,374</u>	<u>\$ 360,227</u>	<u>\$ 421,925</u>	<u>\$ 502,648</u>	<u>\$ 410,941</u>
District-wide activities										
Invested in capital assets, net of related debt	\$ 9,388,110	\$ 2,084,190	\$ 2,160,935	\$ 6,925,835	\$ 8,263,491	\$ (4,705,099)	\$ (4,722,468)	\$ (4,499,876)	\$ 1,414,413	\$ 2,359,767
Restricted	2,904,273	9,059,339	8,239,995	3,595,545	1,973,560	1,849,755	2,543,875	4,223,547	4,167,437	4,239,889
Unrestricted	34,976	(8,392)	(224,261)	6,382	(138,560)	304,851	444,439	5,140	(3,720,362)	(3,821,064)
	<u>\$ 12,327,359</u>	<u>\$ 11,135,137</u>	<u>\$ 10,176,669</u>	<u>\$ 10,527,762</u>	<u>\$ 10,098,491</u>	<u>\$ (2,550,494)</u>	<u>\$ (1,734,155)</u>	<u>\$ (271,189)</u>	<u>\$ 1,861,488</u>	<u>\$ 2,778,592</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Changes In Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2016
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES:										
Governmental activities:										
Instruction										
Regular	\$ 4,591,791	\$ 4,638,264	\$ 4,655,580	\$ 5,587,068	\$ 5,301,777	\$ 8,583,362	\$ 9,391,723	\$ 8,794,027	\$ 6,082,739	\$ 6,441,003
Special education	1,554,726	1,851,332	1,866,016	2,275,185	2,256,695	3,379,436	3,553,357	3,135,830	3,114,214	3,100,061
Other special education	62,679					1,440,282			298,067	329,415
Other instruction		158,572	420,391	454,514	326,702		1,494,101	468,794	67,245	75,616
Support services:										
Tuition	369,671	399,151	642,958	650,502	727,438	381,069	530,201	654,628		
Student and instruction and related services	1,320,064	1,547,718	1,887,454	1,998,323	2,080,981	2,276,266	2,360,036	2,929,323	2,418,838	2,358,652
General administration	435,218	477,009	470,329	563,886	463,837	571,133	589,492	1,162,711	613,366	635,017
School administrative services	440,126	463,046	520,107	548,340	508,506	676,861	735,173	676,387	714,690	785,907
Central services	161,055	177,376	179,061	187,066	189,615	230,840	258,735	206,895	232,050	205,775
Administrative information technology	189,256	188,758	191,740	195,849	202,725	241,744	292,456	281,624	378,528	443,897
Plant operations and maintenance	1,244,052	1,347,392	1,735,252	1,770,847	1,869,741	1,969,498	2,059,852	2,195,486	1,963,095	1,854,248
Pupil transportation	791,875	884,383	1,319,378	1,272,954	1,288,722	1,232,954	1,341,755	1,496,836	1,622,666	1,578,937
Unallocated benefits	3,076,552	3,528,756	3,649,704	4,072,609	4,032,393			2,029,225	6,797,171	7,384,989
Interest on long-term debt	841,701	2,144,343	2,232,261	2,134,114	1,948,984	1,915,124	1,660,505	1,592,650	1,357,193	1,374,812
Capital outlay								262,580	120,297	205,587
Transfer of funds to charter school									8,599	8,817
Unallocated depreciation	462,059	459,622	454,261	448,180	1,350,454	137,734	112,937	142,709	827,661	815,760
Total governmental activities expenses	<u>15,540,827</u>	<u>18,265,724</u>	<u>20,224,491</u>	<u>22,159,438</u>	<u>22,548,570</u>	<u>23,036,303</u>	<u>24,380,323</u>	<u>26,029,703</u>	<u>26,616,419</u>	<u>27,598,493</u>
Business-type activities:										
Food service	392,860	446,587	512,557	524,108	545,104	487,788	552,173	560,403	566,915	603,028
Other enterprise funds						318,516	320,962	279,035	307,349	66,049
Total business-type activities expense	<u>392,860</u>	<u>446,587</u>	<u>512,557</u>	<u>524,108</u>	<u>545,104</u>	<u>806,304</u>	<u>873,135</u>	<u>839,438</u>	<u>874,264</u>	<u>669,077</u>
Total district expenses	<u>\$ 15,933,688</u>	<u>\$ 18,712,311</u>	<u>\$ 20,737,048</u>	<u>\$ 22,683,546</u>	<u>\$ 23,093,674</u>	<u>\$ 23,842,607</u>	<u>\$ 25,253,458</u>	<u>\$ 26,869,141</u>	<u>\$ 27,490,683</u>	<u>\$ 28,267,570</u>
REVENUES:										
Governmental activities:										
Operating grants and contributions	\$ 1,825,691	\$ 2,063,366	\$ 2,069,249	\$ 2,424,966	\$ 2,443,919	\$ 1,841,204	\$ 2,187,418	\$ 2,045,001	\$ 448,009	\$ 478,797
Total governmental activities program revenues	<u>1,825,691</u>	<u>2,063,366</u>	<u>2,069,249</u>	<u>2,424,966</u>	<u>2,443,919</u>	<u>2,443,919</u>	<u>2,187,418</u>	<u>2,045,001</u>	<u>448,009</u>	<u>478,797</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Changes In Net Assets/Net Position
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2016
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Food service	323,380	340,059	375,341	393,232	387,598	349,491	369,352	368,087	399,751	408,809
Enterprise Funds						371,304	297,136	354,020	326,102	63,638
Operating grants and contributions	86,916	101,094	112,333	137,910	134,656	139,999	170,101	178,860	180,710	207,254
Total business-type activities program revenues	410,296	441,153	487,674	531,143	522,254	860,794	836,590	900,966	906,563	679,701
Total district program revenues	<u>\$ 2,235,987</u>	<u>\$ 2,504,519</u>	<u>\$ 2,556,923</u>	<u>\$ 2,956,108</u>	<u>\$ 2,947,219</u>	<u>\$ 3,304,713</u>	<u>\$ 3,024,007</u>	<u>\$ 2,945,967</u>	<u>\$ 1,354,572</u>	<u>\$ 1,158,498</u>
Net (expense) revenues										
Governmental activities	\$ (11,718,680)	\$ (16,202,358)	\$ (16,202,358)	\$ (19,734,472)	\$ (19,734,473)	\$ (20,592,384)	\$ (21,195,099)	\$ (23,984,702)	\$ (26,168,410)	\$ (27,119,696)
Business-type activities	(15,423)	(5,434)	(5,434)	7,034	7,034	54,490	54,490	61,528	32,299	10,624
Total district-wide net expenses	<u>\$ (11,734,102)</u>	<u>\$ (16,207,793)</u>	<u>\$ (16,207,793)</u>	<u>\$ (19,727,438)</u>	<u>\$ (19,727,438)</u>	<u>\$ (20,537,894)</u>	<u>\$ (21,140,609)</u>	<u>\$ (23,923,174)</u>	<u>\$ (26,136,111)</u>	<u>\$ (27,109,072)</u>
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for government purposes	\$ 7,807,540	\$ 9,210,189	\$ 10,321,781	\$ 10,840,502	\$ 12,402,141	\$ 12,827,192	\$ 13,306,662	\$ 13,920,834	\$ 14,646,864	\$ 15,039,801
Taxes levied for debt service	556,871	488,535	2,384,573	2,718,046	2,834,937	2,821,785	2,884,871	2,889,554	2,828,133	2,761,433
Unrestricted grants and contributions	4,188,528	4,687,823	5,592,466	5,613,375	5,409,335	6,543,041	7,594,320	7,584,115	9,472,595	9,834,767
Tuition received		12,443							66,974	210,694
Investment earnings	640,111	620,572	187,737	90,663	20,993	11,565	15,782	9,581	12,130	17,168
Miscellaneous income	28,163	220,774	15,653	18,259	45,092	85,790	117,495	220,058	142,007	194,275
Prior period adjustments		3,433					(12,913)			
Write-off of capital project receivables	(5,587)									
Debt issued					(12,875,000)					
Debt refinanced					11,989,000		(790,000)			
Cost of issuance on refunding bonds									(182,025)	
Fixed asset disposals and adjustments	(684,223)	(6,247)		4,118	(12,421,923)	(343,108)	(124,156)			(28,780)
Compensated absences	(25,142)	(2,185)	(6,712)	12,660	(4,150)	10,275	(856)	(323)		
Transfers	(25,000)		84,429			11				99,149
Total governmental activities	<u>12,481,261</u>	<u>15,235,337</u>	<u>18,579,926</u>	<u>19,297,622</u>	<u>7,400,425</u>	<u>21,956,551</u>	<u>22,991,205</u>	<u>24,623,819</u>	<u>26,986,678</u>	<u>28,128,507</u>
Business-type activities:										
Investment earnings	4,936	5,288	1,291	545		407	547	169	407	120
Fixed asset disposals and adjustments	(5,717)	8,700			78,091				55,404	(452)
Other									(7,386)	(2,850)
Transfers	25,000		(50,000)			(11)	(149)			(99,149)
Total business-type activities	<u>24,219</u>	<u>13,988</u>	<u>(48,709)</u>	<u>545</u>	<u>78,091</u>	<u>396</u>	<u>398</u>	<u>169</u>	<u>48,425</u>	<u>(102,331)</u>
Total district-wide activities	<u>\$ 12,505,479</u>	<u>\$ 15,249,325</u>	<u>\$ 18,531,217</u>	<u>\$ 19,298,168</u>	<u>\$ 7,478,516</u>	<u>\$ 21,956,947</u>	<u>\$ 22,991,603</u>	<u>\$ 24,623,988</u>	<u>\$ 27,035,103</u>	<u>\$ 28,026,176</u>
Change in net position										
Governmental activities	\$ 762,581	\$ (967,022)	\$ 2,377,568	\$ (436,850)	\$ (12,339,635)	\$ 1,364,168	\$ 1,796,106	\$ 639,116	\$ 818,268	\$ 1,008,811
Business-type activities	8,796	8,554	(54,143)	7,580	85,125	54,886	54,888	61,697	80,724	(91,707)
Total district-wide	<u>\$ 771,377</u>	<u>\$ (958,468)</u>	<u>\$ 2,323,425</u>	<u>\$ (429,270)</u>	<u>\$ (12,254,509)</u>	<u>\$ 1,419,053</u>	<u>\$ 1,850,995</u>	<u>\$ 700,814</u>	<u>\$ 898,992</u>	<u>\$ 917,104</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
For the Fiscal Year Ended June 30, 2016
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 1,970,687	\$ 2,655,575	\$ 2,706,593	\$ 1,365,332						
Unreserved	101,859	97,798	(54,975)	(111,274)						
Restricted					\$ 1,049,210	\$ 2,004,503	\$ 3,257,674	\$ 3,388,825	\$ 2,790,692	\$ 2,913,475
Assigned					522,896	427,071	374,725	579,138	619,479	708,440
Unrestricted					(50,121)	(32,458)	(96,683)	(139,930)	(204,031)	(178,326)
Total general fund	<u>\$ 2,072,546</u>	<u>\$ 2,753,373</u>	<u>\$ 2,651,618</u>	<u>\$ 1,254,058</u>	<u>\$ 1,521,985</u>	<u>\$ 2,399,116</u>	<u>\$ 3,535,716</u>	<u>\$ 3,828,034</u>	<u>\$ 3,206,140</u>	<u>\$ 3,443,589</u>
All other governmental funds										
Reserved	\$22,467,884	\$ 3,817,721	\$ 345,314	\$ 37,330						
Restricted										
Capital projects fund					\$ 1,256,059	\$ 1,091,131	\$ 984,620	\$ 771,734	\$ 764,423	\$ 764,423
Assigned										
Capital projects fund							16,834			
Unrestricted, reported in:										
Special revenue fund	(8,857)	(8,857)								
Capital projects fund	(15,739,982)	2,354,730	1,393,791	1,299,382						
Debt service fund	548,401	21,927	30,516		44,886	48,241	6,544	62,987	58,611	72,490
Total all other governmental funds	<u>\$ 7,267,445</u>	<u>\$ 6,185,521</u>	<u>\$ 1,769,621</u>	<u>\$ 1,336,712</u>	<u>1,300,945</u>	<u>\$ 1,139,372</u>	<u>\$ 1,007,998</u>	<u>\$ 834,721</u>	<u>\$ 823,034</u>	<u>836,913</u>

Note: 2011 reflects the change to GASB 54.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES:										
Tax levy	\$ 8,364,411	\$ 9,698,724	\$12,706,354	\$ 13,558,548	\$ 15,237,078	\$ 15,648,977	\$ 16,191,533	\$ 16,810,388	\$ 17,474,997	\$ 17,801,234
Tuition charges		12,443							66,974	210,694
Interest earnings	410	288	81	48	42	27	23	14	12,130	17,168
Miscellaneous	219,192	841,153	49,067	46,759	68,474	93,586	133,254	229,626	157,623	204,314
State sources	5,681,897	6,417,377	7,299,599	6,740,117	7,157,494	7,817,117	9,406,098	8,580,774	9,472,595	9,819,582
Federal sources	317,948	333,240	360,842	1,295,189	697,220	567,128	375,640	1,048,342	432,393	483,943
Total revenue	14,583,858	17,303,225	20,415,944	21,640,660	23,160,308	24,126,835	26,106,548	26,669,143	27,616,712	28,536,935
EXPENDITURES:										
Instruction:										
Regular	4,591,791	4,638,264	4,655,580	5,587,068	5,301,777	5,360,467	5,886,399	5,764,402	6,165,115	6,419,895
Special	1,554,726	1,851,332	1,866,016	2,275,185	2,256,695	2,427,209	2,452,659	2,499,764	3,113,329	3,100,001
Other	62,679	158,572	420,391	454,514	326,702	440,984	387,092	468,794	365,397	404,896
Undistributed:										
Tuition	369,671	399,151	642,958	650,502	727,438	381,069	530,201	654,628		
Student & instruction related services	1,320,064	1,547,718	1,887,454	1,998,323	2,080,981	2,093,777	2,147,227	2,259,779	2,542,540	2,338,363
General administration	435,218	477,009	470,329	563,886	463,837	463,112	471,364	543,947	579,810	578,954
School administrative services	440,126	463,046	520,107	548,341	508,506	506,538	536,551	676,387	710,154	781,466
Central services	161,055	177,376	179,061	187,066	189,615	194,343	198,992	206,895	232,050	205,775
Administration information technology	189,256	188,758	191,740	195,849	202,725	205,246	249,895	281,624	378,528	443,897
Plant operations & maintenance	1,244,052	1,347,392	1,735,252	1,770,847	1,869,741	1,842,824	1,932,166	2,124,131	1,953,931	1,835,431
Student transportation	791,875	884,383	1,319,378	1,272,954	1,288,722	1,232,954	1,341,755	1,496,836	1,622,666	1,578,937
Employee benefits	3,076,552	3,528,756	3,649,704	4,072,609	4,032,393	4,534,560	5,187,622	5,770,194	6,767,859	7,179,009
Capital outlay	6,924		38,534	4,118	121,403	242,780	184,521	316,849	382,297	428,266
Debt service expenditures										
Principal	515,000	685,000	745,000	1,390,000	1,590,000	1,625,000	1,785,000	1,935,000	1,900,000	2,150,000
Interest and other charges	850,723	1,490,883	2,396,765	2,158,153	1,924,089	1,881,546	1,809,878	1,550,873	1,553,875	1,232,336
Transfer of funds to charter school									8,599	8,817
Total expenditures	15,609,713	17,837,642	20,718,269	23,129,414	22,884,624	23,432,409	25,101,320	26,550,103	28,276,150	28,686,043
Excess (deficiency) of revenues over (under) expenditures	(1,025,855)	(534,417)	(302,326)	(1,488,754)	275,684	694,426	1,005,227	1,005,227	(659,438)	(149,108)
Other financing sources (uses)										
Prior period adjustments to deferred revenues		3,433								
Capital leases (non-budgeted)						182,707			25,857	301,287
Transfers in	978,045	685,337	239,944	69,268	6,212	3,754	6,700	1,217	(2,168)	103,130
Transfers out	(25,000)						(6,700)	(1,217)	2,168	(3,981)
Total other financing sources (uses)	953,045	688,770	239,944	69,268	6,212	186,460			25,857	400,436
Net change in fund balance	\$ (72,810)	\$ 154,353	\$ (62,382)	\$ (1,419,486)	\$ 281,897	\$ 880,886	\$ 1,005,227	\$ 1,005,227	\$ (633,581)	\$ 251,328
Debt service as a percentage of noncapital expenditures	8.75%	12.20%	15.19%	15.34%	15.44%	15.12%	14.43%	14.43%	12.38%	11.97%

Source: District records

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Prior Year Refunds	Rentals	Sale of Assets	Columbia Gas Easement	Contributions	Miscellaneous	Annual Totals
2007		\$ 177,066						\$ 28,163	\$ 205,229
2008	\$ 12,443	621,049	\$ 16,904					202,916	853,312
2009		32,222						15,515	47,737
2010		21,395						18,259	39,654
2011		14,780					\$ 15,450	29,642	59,872
2012		11,576	55,921					16,248	83,746
2013		15,782						117,495	133,277
2014	71,147	9,581						148,897	229,626
2015			29,713	\$ 3,200	\$ 1,950	\$ 100,870	3,200	3,074	142,007
2016			26,856	6,400		100,870		60,149	194,275

Source: District records

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2007	1,910,300	54,685,400		19,300	14,221,300	902,800	1,000,700	72,739,800	1,791,013	74,530,813	108,811,940	1.220
2008	4,352,800	54,978,500			14,296,100	902,800	1,000,700	75,530,900	1,474,720	77,005,620	140,236,957	1.247
2009	3,807,000	59,875,100			13,925,600	902,800	1,000,700	79,511,200	1,369,051	80,880,251	163,114,497	1.554
2010	2,670,600	69,283,500			13,489,600	902,800	1,000,700	87,347,200	1,122,898	88,470,098	187,421,942	1.855
2011	2,218,200	72,847,700			13,511,400	902,800	1,000,700	90,480,800	1,123,014	91,603,814	193,463,770	2.296
2012	2,511,200	147,909,300		24,700	35,840,600	1,695,500	1,122,400	189,103,700	2,399,420	191,503,120	202,130,113	1.144
2013	2,146,800	148,633,300		24,700	35,797,600	1,695,500	1,122,400	189,420,300	2,354,496	191,774,796	192,277,907	1.197
2014	1,962,600	148,474,600		24,700	34,901,000	1,695,500	1,122,400	188,180,800	1,833,117	190,013,917	181,333,040	1.279
2015	1,516,500	146,211,800		25,300	34,204,500	1,663,900	1,122,400	184,744,400	1,703,659	186,448,059	176,331,228	1.324
2016	1,311,500	135,324,200		25,300	30,020,200	3,273,800	2,749,500	172,704,500	1,774,301	174,478,801	178,468,138	1.354

Township of Woolwich

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2007	19,095,900	415,570,100	15,563,400	5,342,300	43,378,900	633,900	9,588,100	509,172,600	1,311,722	510,484,322	662,470,066	1.453
2008	20,050,700	466,470,800	15,418,600	5,113,700	42,965,500	633,900	12,611,300	563,264,500	1,282,227	564,546,727	852,888,629	1.540
2009	25,487,400	497,155,600	15,019,100	4,972,000	42,973,100		12,611,300	598,218,500	1,276,729	599,495,229	1,049,583,006	1.865
2010	23,310,900	516,194,900	14,172,700	4,975,600	45,169,800		12,611,300	616,435,200	1,409,722	617,844,922	1,192,512,488	1.908
2011	20,088,000	526,066,000	14,063,400	4,954,300	21,996,900	23,006,100	8,741,400	618,916,100	1,543,335	620,459,435	1,244,290,405	2.117
2012	17,200,900	534,786,500	14,280,800	4,979,500	24,187,900	23,097,100	8,741,400	627,274,100	1,279,782	628,553,882	1,207,715,607	2.126
2013	15,110,900	543,765,600	14,130,200	4,968,700	25,146,400	21,639,600	7,701,100	632,462,500	1,369,350	633,831,850	1,150,834,822	2.187
2014	19,999,300	905,097,600	20,677,300	4,291,500	55,082,700	45,953,200	22,229,800	1,073,331,400	1,901,162	1,075,232,562	1,099,949,222	1.325
2015	17,421,300	923,944,400	18,481,400	4,344,600	51,771,100	44,073,200	22,229,800	1,082,265,800	1,870,892	1,084,136,692	1,110,614,108	1.390
2016	13,276,400	943,474,000	20,072,500	4,317,800	50,503,300	43,425,600	21,054,900	1,096,124,500	1,810,647	1,097,935,147	1,193,338,953	1.408

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Per \$100 of Assessed Valuation
 Last Ten Fiscal Years
 Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Regional School	Municipality	Gloucester County	
2007	1.089	0.131	1.220	1.262	1.133	0.927	4.542
2008	1.185	0.062	1.247	1.350	1.159	1.082	4.838
2009	1.346	0.209	1.554	1.337	1.420	1.194	5.505
2010	1.492	0.363	1.855	1.304	1.739	1.251	6.149
2011	1.869	0.427	2.296	1.403	1.563	1.251	6.513
2012	0.929	0.215	1.144	0.713	0.745	0.615	3.217
2013	0.981	0.216	1.197	0.785	0.775	0.610	3.367
2014	1.134	0.235	1.279	0.870	0.802	0.655	3.606
2015	1.090	0.234	1.324	0.867	0.833	0.642	3.666
2016	1.144	0.210	1.354	0.905	0.918	0.709	3.886

Township of Woolwich

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Regional School	Municipality	Gloucester County	
2007	1.356	0.097	1.453	0.935	0.511	1.061	3.960
2008	1.463	0.077	1.540	0.951	0.586	1.104	4.181
2009	1.516	0.350	1.865	0.903	0.660	1.177	4.605
2010	1.526	0.382	1.908	0.943	0.705	1.190	4.746
2011	1.723	0.394	2.117	1.029	0.705	1.148	4.999
2012	1.742	0.383	2.126	1.090	0.705	1.088	5.009
2013	1.797	0.390	2.187	1.207	0.735	1.076	5.205
2014	1.097	0.228	1.325	0.767	0.486	0.662	3.240
2015	1.168	0.222	1.390	0.798	0.506	0.678	3.372
2016	1.190	0.218	1.408	0.848	0.548	0.745	3.549

Source: Gloucester County Board of Taxation - Abstract of Ratables.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Borough of Swedesboro

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Swedesboro Development LLC	3,789,200	2.20%		
D&D Properties of Swedesboro Inc.	2,823,500	1.64%		
R & R Real Estate, LLC	1,703,100	0.99%		
Taxpayer #1	1,660,000	0.96%		
Russo Rentals LLC	1,513,700	0.88%	489,900	0.66%
Botto Sons LLC	1,462,600	0.85%	597,800	0.80%
Delmonte Corporation			1,100,000	1.48%
Swedesboro Housing LTD Partnership	1,275,000	0.74%	909,000	1.22%
Bank of America (Fleet Bank)	974,900	0.57%	615,000	0.83%
Gi Advo Propco LLC	961,100	0.56%		
Racoon Creek LLC	950,000	0.55%		
Taxpayer #2			985,200	1.32%
NJ Bell Telephone Company			505,600	0.68%
Taxpayer #3			429,800	0.58%
CCL Container Corporation			422,600	0.57%
R & R Real Estate, LLC			398,300	0.53%
Total	17,113,100	9.92%	6,453,200	8.66%

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Principal Property Taxpayers
Current and Nine Years Ago
Unaudited

Township of Woolwich

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Pond View @ Westbrook LLC	20,251,500	1.80%		
Liberty Venture I LP	15,942,700	1.42%		
Westbrook at Weatherby, LLC			1,048,900	0.21%
Westbrook Drive	12,250,000	1.09%		
Commodore/Pencader			9,268,800	1.82%
Alliant Food Service, Inc.			5,908,600	1.16%
Liberty Property LP			4,344,000	0.85%
Columbia Gas Transmissions	7,678,100	0.68%	3,925,000	0.77%
USF Propco II LLC	7,300,000	0.65%		
JMJ Warehouse Associates	6,304,500	0.56%		
Liberty Property LTD Partnership	5,963,000	0.53%		
RAAB Family Partnership LP	3,708,900	0.33%		
Gi Advo Propco LLC	3,199,600	0.28%		
Appleseed NJ LLC, CVS #3194-01	3,185,000	0.28%		
Delmonte Corporation			3,473,800	0.68%
Swedesboro, Inc.			2,171,100	0.43%
High Hill Associates, LP			2,000,000	0.39%
Gloucester New Communities, Inc.			1,499,900	0.29%
WPM Realty Company			1,165,200	0.23%
Total	85,783,300	7.64%	34,805,300	6.82%

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Consolidated - Constituent Municipalities

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2007	\$ 8,343,042	\$ 8,343,042	100%	
2008	9,669,338	9,669,338	100%	
2009	12,444,308	12,444,308	100%	
2010	13,435,533	13,435,533	100%	
2011	15,073,174	15,073,174	100%	
2012	15,559,525	15,559,525	100%	
2013	9,816,185	9,816,185	100%	
2014	16,810,388	16,810,388	100%	
2015	17,474,997	17,474,997	100%	
2016	17,801,234	17,801,234	100%	

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2007	\$ 924,646	\$ 924,646	100%	
2008	975,401	975,401	100%	
2009	1,266,834	1,266,834	100%	
2010	1,651,894	1,651,894	100%	
2011	1,938,813	1,938,813	100%	
2012	2,192,169	2,192,169	100%	
2013	1,634,313	1,634,313	100%	
2014	2,554,204	2,554,204	100%	
2015	2,404,193	2,404,193	100%	
2016	2,342,599	2,342,599	100%	

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Township of Woolwich

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2007	\$ 7,418,396	\$ 7,418,396	100%	
2008	8,693,936	8,693,936	100%	
2009	11,177,475	11,177,475	100%	
2010	11,783,639	11,783,639	100%	
2011	13,134,361	13,134,361	100%	
2012	13,367,356	13,367,356	100%	
2013	8,181,872	8,181,872	100%	
2014	14,256,184	14,256,184	100%	
2015	15,070,804	15,070,804	100%	
2016	15,458,635	15,458,635	100%	

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita*
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes			
2007	\$ 27,569,000			\$ 27,569,000	6.84%	2,601
2008	48,859,000			48,859,000	11.40%	4,457
2009	48,114,000			48,114,000	10.24%	4,230
2010	46,724,000			46,724,000	9.63%	3,946
2011	46,020,000			46,020,000	8.60%	3,571
2012	44,395,000	\$ 107,271		44,502,271	7.73%	3,343
2013	43,400,000	68,785		43,468,785	7.19%	3,192
2014	41,465,000	14,515		41,479,515	6.49%	2,922
2015	40,445,000	16,740		40,461,740	5.89%	2,746
2016	38,295,000	309,897		38,604,897	N/A	N/A

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

* See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Combined

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 27,569,000		\$ 27,569,000	4.71%	\$ 2,601
2008	48,859,000		48,859,000	7.62%	4,457
2009	48,114,000		48,114,000	7.07%	4,230
2010	46,724,000		46,724,000	6.62%	3,946
2011	46,020,000		46,020,000	6.46%	3,571
2012	44,395,000		44,395,000	5.41%	3,335
2013	43,400,000		43,400,000	5.26%	3,186
2014	41,465,000		41,465,000	3.28%	2,921
2015	40,445,000		40,445,000	3.18%	2,745
2016	38,295,000		38,295,000	3.01%	2,569

EXHIBIT J-11a

Borough of Swedesboro

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2007	\$ 3,512,285		\$ 3,512,285	4.71%	\$ 1,717
2008	5,864,553		5,864,553	7.62%	2,822
2009	5,719,595		5,719,595	7.07%	2,541
2010	5,852,455		5,852,455	6.62%	2,467
2011	5,920,271		5,920,271	6.46%	2,279
2012	10,367,305		10,367,305	5.41%	3,969
2013	10,081,104		10,081,104	5.26%	3,862
2014	6,227,188		6,227,188	3.28%	2,391
2015	5,934,977		5,934,977	3.18%	2,277
2016	5,251,173		5,251,173	3.01%	2,010

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Township of Woolwich

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions			
2007	\$ 24,056,715		\$ 24,056,715	4.71%	\$ 2,813
2008	42,994,447		42,994,447	7.62%	4,839
2009	42,394,405		42,394,405	7.07%	4,647
2010	40,871,545		40,871,545	6.62%	4,316
2011	40,099,729		40,099,729	6.46%	3,897
2012	34,027,695		34,027,695	5.41%	3,180
2013	33,318,896		33,318,896	5.26%	3,026
2014	35,237,812		35,237,812	3.28%	3,040
2015	34,510,023		34,510,023	3.18%	2,845
2016	33,043,827		33,043,827	3.01%	2,688

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

N/A information not available at the completion of the CAFR.

*See J-6 for property tax data.

**Population data can be found in J-14.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Municipality:			
Swedesboro	\$ 5,120,207	100.00%	\$ 5,120,207
Woolwich	17,631,970	100.00%	17,631,970
Gloucester County general obligation debt:			
Swedesboro	239,760,175	0.69%	1,653,076
Woolwich	239,760,175	4.66%	11,177,536
Regional high school district: (Kingsway)			
Swedesboro	41,404,000	6.35%	2,628,473
Woolwich	41,404,000	40.93%	16,948,437
Subtotal, overlapping debt			55,159,698
District's direct debt			38,295,000
Total direct and overlapping debt			<u>\$ 93,454,698</u>

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation

Equalized Valuation Basis	Swedesboro	Woolwich	Total
2015	176,481,198	1,163,243,659	1,339,724,857
2014	173,014,048	1,145,254,815	1,318,268,863
2013	178,760,141	1,097,700,348	1,276,460,489
	<u>\$ 528,255,387</u>	<u>\$ 3,406,198,822</u>	<u>\$ 3,934,454,209</u>

Average equalized valuation of taxable property	\$ 176,085,129	\$ 1,135,399,607	\$ 1,311,484,736
Debt limit (2.5% of average equalized value)	4,402,128	28,384,990	32,787,118
Total net debt applicable to limit			<u>38,295,000</u>
Legal debt margin			<u>\$ (5,507,882)</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 21,661,657	\$ 26,455,952	\$ 30,970,514	\$ 33,513,877	\$ 34,224,425	\$ 33,876,636	\$ 32,952,997	\$ 32,267,566	\$ 32,181,062	\$ 32,787,118
Total net debt applicable to limit	<u>49,544,000</u>	<u>48,859,000</u>	<u>48,114,000</u>	<u>46,724,000</u>	<u>46,020,000</u>	<u>44,395,000</u>	<u>43,400,000</u>	<u>41,465,000</u>	<u>40,445,000</u>	<u>38,295,000</u>
Legal debt margin	<u>\$ (27,882,343)</u>	<u>\$ (22,403,048)</u>	<u>\$ (17,143,486)</u>	<u>\$ (13,210,123)</u>	<u>\$ (11,795,575)</u>	<u>\$ (10,518,364)</u>	<u>\$ (10,447,003)</u>	<u>\$ (9,197,434)</u>	<u>\$ (8,263,938)</u>	<u>\$ (5,507,882)</u>
Total net debt applicable to the limit as a percentage of debt limit	228.72%	184.68%	155.35%	139.42%	134.47%	131.05%	131.70%	128.50%	125.68%	116.80%

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	2,045	\$ 77,773,395	\$ 38,031	5.40%
2008	2,078	81,270,580	39,110	7.00%
2009	2,251	92,979,806	41,306	10.20%
2010	2,372	97,230,652	40,991	10.90%
2011	2,598	107,848,176	41,512	10.60%
2012	2,612	112,929,820	43,235	10.80%
2013	2,610	115,863,120	44,392	8.30%
2014	2,604	117,208,644	45,011	5.30%
2015	2,607	121,494,021	46,603 *	4.80%
2016	2,613	N/A *	46,603 *	N/A

Township of Woolwich

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	8,553	\$ 325,279,143	\$ 38,031	3.60%
2008	8,885	347,492,350	39,110	4.60%
2009	9,123	376,834,638	41,306	6.90%
2010	9,469	388,143,779	40,991	7.30%
2011	10,289	427,116,968	41,512	7.10%
2012	10,701	462,657,735	43,235	7.30%
2013	11,010	488,755,920	44,392	4.60%
2014	11,592	521,767,512	45,011	4.80%
2015	12,129	565,247,787	46,603	3.80%
2016	12,295	* N/A	46,603 *	N/A

* Estimated

N/A information not available at the completion of the CAFR.

Source: Data regarding School District population was provided by the Department of Education.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Principal Employers
Current and Nine Years Ago
Unaudited

Employer	2016		2007	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Inspira Health	1,825	1.30%		
Kennedy Memorial Hospital	1,675	1.19%		
Washington Township School District	1,592	1.13%		
Rowan University	1,483	1.05%		
County of Gloucester	1,354	0.96%		
Missa Bay, LLC	950	0.67%		
Monroe Township School District	806	0.57%		
U.S. Foodservices	725	0.51%		
Exxon Mobil Research & Engineering	540	0.38%		
LaBrea Bakery	525	0.37%		
Total	11,475	8.15%	N/A	N/A

Source: Gloucester County Economic Development Office.

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular	87	94	96	103	103	103	108	107	101	100
Special education	26	28	37	40	42	42	44	42	36	35
Other special education	32	41	35	35	35	35	35	35	36	36
Other instruction	3	3	3	3	3	3	3	3	1	1
Support services:										
Student & instruction related services	14	14	14	15	15	15	16	16	16	17
General administration	4	4	4	3	3	4	6	6	8	9
School administrative services	8	10	10	13	13	14	14	14	13	12
Other administrative services	1	1	1	1	1	1	1	1	1	1
Central services	3	3	4	3	3	3	3	3	3	3
Administrative information technology	3	3	3	3	3	3	4	4	3	4
Plants operations and maintenance	7	9	9	9	9	9	9	9	16	16
Other support									5	6
Total	<u>188</u>	<u>210</u>	<u>216</u>	<u>228</u>	<u>230</u>	<u>232</u>	<u>243</u>	<u>240</u>	<u>239</u>	<u>240</u>

Source: Employee salary list

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2007	1,397	\$ 14,237,066	\$ 10,191	-6.67%	108	12.90:1	1,390.8	1,330.0	11.71%	95.63%
2008	987	15,661,759	15,868	55.70%	119	12.80:1	1,502.9	1,441.0	8.06%	95.88%
2009	1,582	17,537,970	11,086	-30.14%	133	11.90:1	1,597.9	1,530.9	6.32%	95.81%
2010	1,706	19,577,144	11,475	3.51%	136	12.54:1	1,705.9	1,632.0	6.76%	95.67%
2011	1,781	19,249,132	10,808	-5.82%	154	11.56:1	1,745.8	1,673.1	2.34%	95.84%
2012	1,740	19,683,083	11,312	4.66%	154	11.30:1	1,728.3	1,659.0	-1.00%	95.99%
2013	1,756	21,321,922	12,142	7.34%	155	11.41:1	1,755.8	1,677.7	1.59%	95.55%
2014	1,760	22,747,381	12,925	6.44%	152	11.62:1	1,759.6	1,691.9	0.22%	96.15%
2015	1,754	24,439,978	13,934	7.81%	138	12.71:1	1,751.3	1,679.4	-0.47%	95.90%
2016	1,732	24,875,441	14,362	3.07%	136	12.74:1	1,718.3	1,649.9	-1.88%	96.02%

Source: District records

Note: Enrollment based on June district count.
Teaching staff information from In-District Staff List

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

District Buildings	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governor Charles G Harker School (2008):										
Square feet			100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity (students)			720	720	720	720	720	720	720	720
Enrollment			661	708	708	728	735	765	785	784
Governor Charles C. Stratton School (2004):										
Square feet	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	792	888	571	524	524	508	494	505	480	442
Walter H. Hill School (1922)										
Square feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment	330	355	179	224	224	230	250	259	249	263
Margaret C. Clifford School (1996)										
Square feet	43,151	43,151	43,151	43,151	43,151	43,151	43,151	43,151	43,151	43,151
Capacity (students)	262	262	262	262	262	262	262	262	262	262
Enrollment	275	283	231	256	256	274	243	231	240	243

Source: District records per Long Range Facilities Plan. Enrollment records at June 30.

Number of Schools at June 30, 2016:

Elementary = 4

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 For the Fiscal Year Ended June 30, 2016

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

* School Facilities	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
Walter H. Hill School	\$ 126,454	\$ 148,359	\$ 121,042	\$ 129,129	\$ 143,794	\$ 142,440	\$ 113,157	\$ 156,143	\$ 143,974	\$ 73,006	\$ 1,297,513
Margaret C. Clifford School	104,696	120,426	95,559	101,944	113,522	112,453	89,335	106,461	116,866	81,700	1,042,961
Governor Charles C. Stratton School	204,900	234,574	191,118	203,888	227,043	224,905	178,669	205,825	227,639	78,420	1,976,982
Charles G. Harker School			229,342	244,666	272,452	269,886	214,403	241,312	271,000	72,245	1,815,307
Total	\$ 436,050	\$ 503,359	\$ 637,061	\$ 679,628	\$ 756,811	\$ 749,684	\$ 595,564	\$ 709,742	\$ 759,479	\$ 305,371	\$ 6,132,763

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School package policy - Utica National Insurance Company		
Property - blanket buildings & contents	\$ 71,006,478	
Commercial general liability		
General aggregate limit	3,000,000	
Products - complete operations aggregate limit	3,000,000	
Personal and advertising - injury limit	1,000,000	
Each occurrence limit	1,000,000	
Damage to premises	1,000,000	
Medical expense - any one person	10,000	
Legal liability - each loss	1,000,000	
Legal liability - aggregate limit	3,000,000	
Employee benefit program liability - each loss	1,000,000	\$ 1,000
Employee benefit program liability - aggregate limit	3,000,000	
Commercial automobile liability		
Bodily injury and property damage	1,000,000	1,000
Commercial umbrella liability	10,000,000	10,000
Workers' compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident - each accident	2,000,000	None
Bodily injury - by disease - each employee	2,000,000	None
Bodily injury - by disease - aggregate limit	2,000,000	None
Public employees' faithful performance bonds - The Ohio Casualty Insurance Company		
Employee bond - Christopher J. DeStratis, Business Administrator/ Board Secretary	200,000	None

Source: District records

SINGLE AUDIT SECTION

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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
Swedesboro-Woolwich Consolidated School District
15 Frederick Boulevard
Woolwich, New Jersey 08085

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to Management of the Swedesboro-Woolwich Consolidated Board of Education in a separate report entitled, "Auditor's Management Report on October 24, 2016.

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

PETRONI & ASSOCIATES LLC



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

October 24, 2016

PETRONI & ASSOCIATES LLC

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

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Swedesboro-Woolwich Consolidated School District
15 Frederick Boulevard
Woolwich, New Jersey 08085

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements Swedesboro-Woolwich Consolidated School District as of and for the year ended June 30, 2016, and have issued our report thereon dated October 24, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of Management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

October 24, 2016

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016			MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
General Fund:																
Medical Assistance Program	93.778	1605NJ5MAP	n/a	\$ 15,185	07/1/15	6/30/16			\$ 9,285	\$ (15,185)			\$ (5,900)			\$ 15,185
Total General Fund									9,285	(15,185)			(5,900)			15,185
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A150030	NCLB512016	114,086	07/1/15	06/30/16			91,986	(114,086)			(22,100)			114,086
Title I - Part A	84.010	S010A150030	NCLB512015	87,630	07/1/14	06/30/15	\$ (39,551)		39,551							87,630
Title I - Part A	84.010	S010A150030	NCLB512013	85,297	09/1/12	08/31/13		178				\$ (178)				85,119
Title II A, Teacher & Principal Training	84.367	S367A150029	NCLB512016	29,679	07/1/15	06/30/16			29,679	(29,679)						29,679
Title II A, Teacher & Principal Training	84.367	S367A150029	NCLB512015	25,794	07/1/14	06/30/15	(21,743)		21,743							21,743
Title III	84.365	S365A150030	NCLB512016	6,587	07/1/15	06/30/16			6,587	(6,587)						6,587
Title III	84.365	S365A150030	NCLB512015	8,445	07/1/14	06/30/15	(8,294)		8,294							8,294
IDEA Part B, Basic Regular	84.027A	H027A150100	IDEA512016	306,066	07/1/15	06/30/16			298,087	(301,138)			(3,051)			301,138
IDEA Part B, Preschool	84.173	H173A150114	IDEA512016	17,268	07/1/15	06/30/16			17,268	(17,268)						17,268
Total Special Revenue Fund							(69,410)		513,195	(468,758)		(178)	(25,151)			671,544
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Food Distribution Program	10.550	N/A	N/A	61,367	07/1/15	06/30/16			61,367	(55,232)			\$ 6,135			55,232
Food Distribution Program	10.550	N/A	N/A	46,029	07/1/14	06/30/15		378		(378)						46,029
National School Lunch Program	10.555	16161NJ304N1099	N/A	139,751	07/1/15	06/30/16			129,451	(139,751)			(10,300)			139,751
National School Lunch Program	10.555	16161NJ304N1099	N/A	128,208	07/1/14	06/30/15	(11,136)		11,136							128,208
Total Enterprise Fund							(10,758)		201,954	(195,361)			(10,300)	6,135		369,220
Total Federal Financial Awards							\$ (80,168)		\$ 724,434	\$ (679,304)		\$ (178)	\$ (41,351)	\$ 6,135		\$ 1,055,949

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Balance at June 30, 2015		Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Expenditures	Balance at June 30, 2016			MEMO	
			Grant Period								(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
			From	To											
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	16-495-034-5120-078	\$ 4,503,553	07/1/15	06/30/16				\$ 4,503,553	\$ (4,503,553)				\$ 435,894	\$ 4,503,553	
Special Education Categorical Aid	16-495-034-5120-089	1,002,741	07/1/15	06/30/16				1,002,741	(1,002,741)				97,054	1,002,741	
Security Aid	15-495-034-5120-084	141,800	07/1/15	06/30/16				141,800	(141,800)				13,725	141,800	
Supplemental Enrollment Growth Aid	15-495-034-5120-094	963,615	07/1/15	06/30/16				963,615	(963,615)				93,267	963,615	
Under Adequacy Aid	15-495-034-5120-096	4,684	07/1/15	06/30/16				4,684	(4,684)				453	4,684	
Per Pupil Growth Aid	15-495-034-5120-097	17,670	07/1/15	06/30/16				17,670	(17,670)				1,711	17,670	
PARCC Readiness	15-495-034-5120-098	17,670	07/1/15	06/30/16				17,670	(17,670)				1,711	17,670	
Transportation Aid	15-495-034-5120-014	235,217	07/1/15	06/30/16				235,217	(235,217)				22,766	235,217	
Extraordinary Special Education Aid	15-100-034-5120-473	28,131	07/1/15	06/30/16					(28,131)	\$ (28,131)				28,131	
Extraordinary Special Education Aid	15-100-034-5120-473	41,835	07/1/14	06/30/15	\$ (41,835)			41,835					(14,854)	41,835	
Reimbursement for Nonpublic Transportation	n/a	14,854	07/1/15	06/30/16					(14,854)					14,854	
Reimbursement for Nonpublic Transportation	n/a	12,702	07/1/14	06/30/15	(12,702)			12,702						12,702	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	717,818	07/1/15	06/30/16				682,447	(717,818)				(35,371)	717,818	
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	681,820	07/1/14	06/30/15	(33,155)			33,155						681,820	
On-Behalf TPAF Pension	16-495-034-5094-006	704,019	07/1/15	06/30/16				704,019	(704,019)					704,019	
On-Behalf TPAF Post Retirement Contribution	16-495-034-5094-001	838,292	07/1/15	06/30/16				838,292	(838,292)					838,292	
Total General Fund					(87,692)			9,199,400	(9,190,064)			(78,356)	666,581	9,926,421	
Debt Service Fund:															
Debt Service Aid Type II	16-495-034-5120-075	630,801	07/1/15	06/30/16				630,801	(630,801)					630,801	
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	16-100-010-3350-023	6,136	07/1/15	06/30/16				5,677	(6,136)			(459)		6,136	
National School Lunch Program (State Share)	15-100-010-3350-023	6,140	07/1/14	06/30/15	(710)			710						6,140	
Total Enterprise Fund					(710)			6,387	(6,136)			(459)		12,276	
Total State Financial Assistance					\$ (88,402)			\$ 9,836,588	\$ (9,827,001)			\$ (78,815)	\$ 666,581	\$ 10,569,498	
Less: On-Behalf TPAF Pension System Contributions									\$ (1,542,311)						
Total for State Financial Assistance - Major Program Determination									\$ (8,284,690)						

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
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 activity of the Board of Education, Swedesboro-Woolwich Consolidated 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 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations, New Jersey State Aid/Grant Compliance Supplement*, and New Jersey OMB's Circular 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of 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 one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,283) for the General Fund and \$0 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2016**

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ 15,185	\$ 9,188,781	\$ 9,203,966
Special revenue fund	468,758		468,758
Debt service fund		630,801	630,801
Food service fund	201,118	6,136	207,254
Total financial assistance	<u>\$ 685,061</u>	<u>\$ 9,825,718</u>	<u>\$ 10,510,779</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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2016, Swedesboro-Woolwich Consolidated School District has food commodities inventory was \$6,135.

NOTE 6: OTHER

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

NOTE 7: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

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

NOTE 8: INDIRECT COST RATE

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ Yes X No
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal awards

N/A

Internal control over major programs:

1. Material weakness(es) identified? _____ Yes _____ No
2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes _____ None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? _____ Yes _____ No

Identification of major programs:

CFDA Number	FAIN Number	Name of Federal Program or Cluster
--------------------	--------------------	---

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

Auditee qualified as low-risk auditee? _____ Yes _____ No

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I – Summary of Auditor’s Results

State awards

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

Auditee qualified as low-risk auditee? Yes X No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? Yes X No

Identification of major programs:

GMIS Numbers

Name of State Program

495-034-5120-078	State Aid Public: Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-094	Supplemental Enrollment Growth Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-075	Debt Service Aid

Section II – Financial Statement Findings

No matters reported.

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

FEDERAL AWARDS

No matters reported.

STATE AWARDS

No matters reported.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Finding: 2015-001: The District purchased educational goods and services without a resolution of the Board of Education approving the purchase.

Corrective action taken.

Finding: 2015-002: The District misclassified tuition reimbursements as regular programs - undistributed instruction - purchased professional educational services. The District also misclassified and misbudgeted expenditures for care and upkeep of grounds in two instances. Lawn care service expenditures were improperly classified as required maintenance items. The District also misclassified and misbudgeted expenditures for technology related expenditures. In numerous instances, technology related expenditures were improperly classified as required maintenance items.

Corrective action taken.