

SCHOOL DISTRICT
OF
TOWNSHIP

OF

MULLICA

Mullica Township School District
Mullica, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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Introductory Section

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MULLICA TOWNSHIP SCHOOL DISTRICT

P. O. BOX 318; 500 ELWOOD ROAD • ELWOOD, NJ • 08217 • PHONE 609-561-3868 EXT. 120 • FAX 609-561-7133

Mr. Andrew Weber
Superintendent

Ms. Karen Gfroehrer
Business Administrator

Mrs. Donna Leshner
Supervisor of Curriculum & Instruction



Mrs. Tracey Domena
Supervisor of Special Education

Mr. Matthew Mazzone
Principal

Mr. Thomas McLaughlin
Vice-Principal

November 30, 2017

Honorable President and
Members of the Board of Education
Mullica Township School District
500 Elwood Road
PO Box 318
Elwood, New Jersey 08217

Dear Board Members:

The comprehensive annual financial report of the Mullica Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** Mullica Township School District is an independent PreK – 8th grade District in Atlantic County, New Jersey reporting within the criteria adopted in GASB Statement 14, as amended by GASB Statements 39 and 61. All fund and account groups in the District are included in this report. The Mullica Township Board of Education and all its Schools constitute the District reporting entity.

The District provides a full range of educational services appropriate to students from four years old through grade 8. These include regular, vocational, and special education programs for students of varying interests and special needs. The programs have been developed and articulated in the Schools to respond to federal, state, and local goals.

The District completed the 2016-2017 Fiscal Year with an average daily enrollment of 737. The table below provides the last ten years of enrollment information along with changes on an annual basis.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage of Change</u>	
2016-2017	737	(0.14)%	(Decrease)
2015-2016	738	(0.79)%	(Decrease)
2014-2015	764	10.03%	Increase
2013-2014	695	(7.21)%	(Decrease)
2012-2013	749	5.49%	Increase
2011-2012	710	(0.28)%	Increase
2010-2011	712	0.00%	(Decrease)
2009-2010	712	0.00%	(Decrease)
2008-2009	712	(0.79)%	(Decrease)
2007-2008	718	(2.71)%	(Decrease)

- 2) **ECONOMIC CONDITIONS AND OUTLOOK:** Mullica Township is experiencing a period of stagnant development, which is in part due to the economy. The total student enrollment has remained stable over the last ten years. Obviously there have been fluctuations, but the long range view is one of stability.
- 3) **MAJOR INITIATIVES:** Mullica Township Schools are involved in several long-term efforts to upgrade both the facilities and programs at all levels. They include, but are not limited to: Approval of two bond referendums to repair the roof, door replacement to comply with ADA requirements, repair of the sewer system, replacement of classroom HVAC units, energy efficient lighting, and a new parking lot. The District recently completed the installation of a new state of the art security camera system.

The District continues to purchase Chromebooks in support of a 1:1 initiative in the middle school. Infrastructure to support the initiative is robust and up to date. The kindergarten teachers entered the NJKEA initiative and are assessing student progress with Teaching Strategies Gold. Most recently, the District purchased and implemented Study Island and EdConnect. Both programs are cloud based solutions for student assessment, activity planning, and benchmarking. Professional development for both programs was provided to all teachers.

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

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

- 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

- 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 Statement,” Note 1.

- 7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents summary of the general, special revenue and debt service fund revenues for the fiscal year ended June 30, 2017, and the amount and percentage of increases in relation to prior year revenues.

	<u>Revenue</u>	<u>Percent of Total</u>	<u>Increase/ Decrease from Prior Year</u>	<u>Percent of Increase/ Decrease</u>
Local Sources:				
District Taxes	3,891,744	21.88%	4,148	0.11%
Miscellaneous	5,755,371	32.36%	5,143,173	89.36%
State Sources	7,180,046	40.37%	129,728	1.81%
Federal Sources	957,026	5.38%	24,725	2.58%
Total	<u><u>17,784,187</u></u>	<u><u>100.00%</u></u>	<u><u>5,301,774</u></u>	

The increase in Miscellaneous Local Sources can be attributed to bonds issued for capital projects approved during the current year.

	<u>Expenditures</u>	<u>Percent of Total</u>	<u>Increase/ Decrease from Prior Year</u>	<u>Percent of Increase/ Decrease</u>
Current Expenditures:				
Instruction	\$ 5,424,782	40.20%	203,712	3.76%
Undistributed	7,739,186	57.36%	683,260	8.83%
Capital Outlay	<u>329,323</u>	<u>2.44%</u>	<u>65,100</u>	19.77%
Total	<u><u>13,493,291</u></u>	<u><u>100%</u></u>	<u><u>952,072</u></u>	

The increase in Undistributed expenditures is attributable to the increase in the district's on-behalf of contribution to TPAF.

- 8) **DEBT ADMINISTRATION:** As of June 30, 2017, the District's outstanding debt consisted of \$6,494,000 in Serial Bonds, \$11,309 in unamortized premium on bonds, \$246,935 for Compensated absences and \$4,511,784 in Net Pension Liability.

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

- 10) **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.

- 11) **OTHER INFORMATION:** Independent Audit -- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. The auditor's report on the basic financial statements, combining and individual fund statements and schedules is included in the financial section of this report.

- 12) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Mullica Township 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,

Andrew Weber

Mr. Andrew Weber
Superintendent of Schools

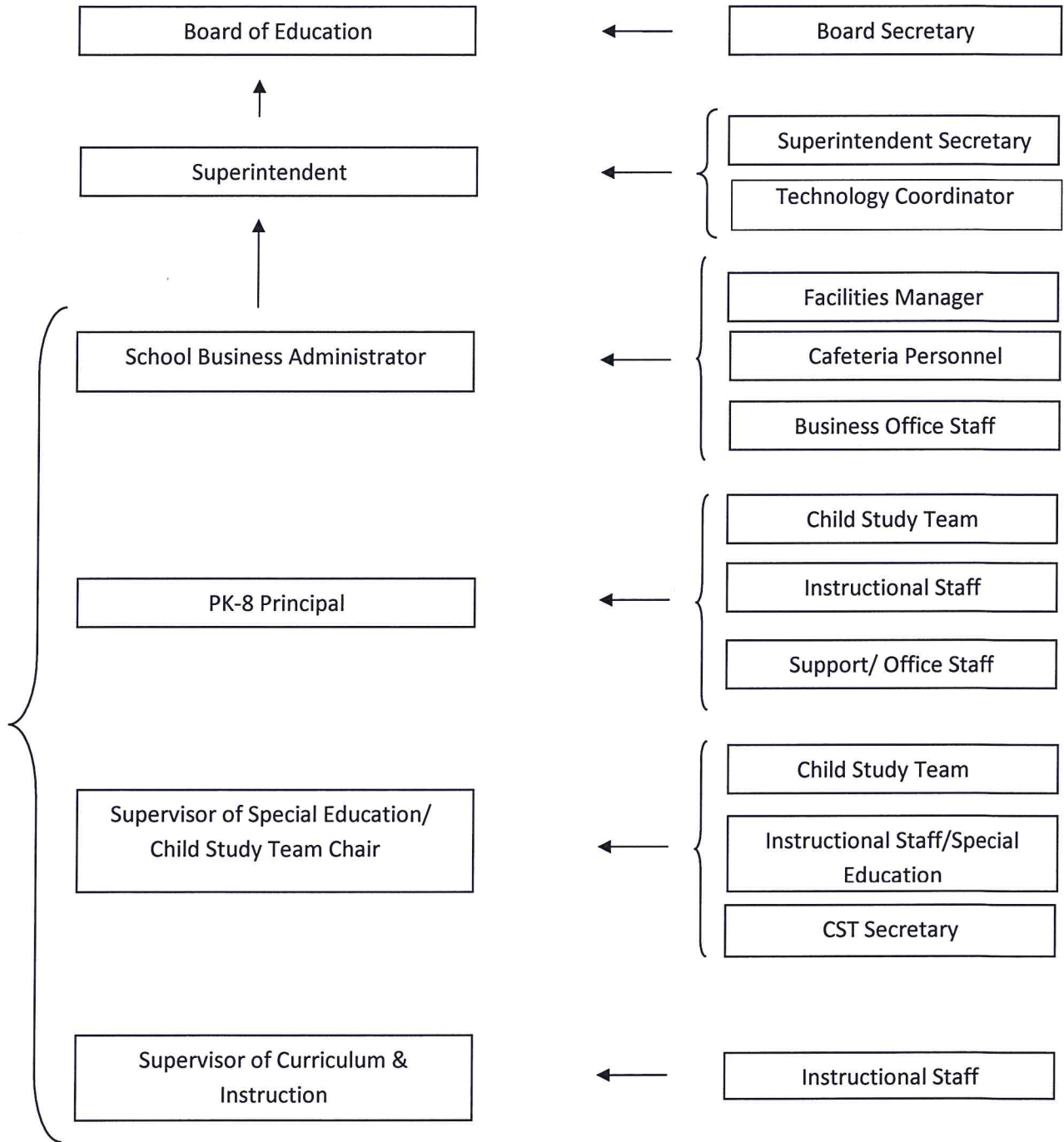
Karen Gfroehrer

Karen Gfroehrer
Business Administrator/Board Secretary

Mullica Township School District

Organizational Chart

(Chain of Command)



MULLICA TOWNSHIP SCHOOL DISTRICT

**Roster of Officials
June 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joy Wyld, President	2019
Susan Brownhill, Vice President	2020
Kristi Hanselmann	2020
Walter Lyons	2019
Sue Muessig	2018
Noel Naylor	2018
Nick Roehnert	2018
Catherine Werner	2019
Mark Winterbottom	2020

Other Officials

Andrew Weber, Superintendent

Karen Gfroehrer, Business Administrator/ Board Secretary

Dawn M. Stollenwerk, Treasurer of School Monies

Amy L. Houck Elco, Esq., Cooper Levenson, Board Attorney

MULLICA TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect of Record

John Veisz
Faridy Veisz Fraytak, P.C.
1515 Lower Ferry Road
PO Box 7371
Trenton, NJ 08268

Audit Firm

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, NJ 08226

Attorney

Amy L. Houck Elco, Esq.
Cooper Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, NJ 08401

Official Depository

TD Bank
White Horse Pike
Hammonton, NJ 08037

Risk Management Agency

The Barclay Group
202 Broad Street
Riverton, NJ 08077

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Mullica Township School District
County of Atlantic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Mullica Township School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board'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. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall 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 Mullica Township School District, in the County of Atlantic, State of New Jersey, as of June 30, 2017, 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 Required Supplementary 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 Mullica Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, the schedule of state financial assistance as required by NJ OMB 15-08 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 November 30, 2017 on our consideration of the Mullica Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mullica Township School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

November 30, 2017

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Required Supplemental Information
Part I

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Mullica Township School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$740,485.54. The decrease is due mainly to an increase in instructional expenses.
- The State of New Jersey reimbursed the District \$383,732.97 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$820,298.97 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2017, the District had excess fund balance in the amount of \$1,714,043.00, of which \$843,053.00 has been included in the 2017-2018 budget and the remaining \$871,000.00 will be included in the 2018-2019 budget.
- During the fiscal year ended June 30, 2017, the District's expenditures exceeded revenues by \$186,372.81. This was mainly a result of an increase in instructional expenses. During the prior fiscal year, revenues exceeded expenditures and special items by \$42,994.
- In the District's business-type activities, net assets decreased \$16,217.43 due to the costs of operation exceeding revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service and after school program.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of Mullica Township School District's
Government-wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and after school programs and student activities	Activities the District operates similar to private businesses; food service and after school programs	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of changes in net position	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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Government-wide Statements

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

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets and liabilities – is one way to measure the District’s financial health, or *position*.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township’s property tax base and the condition of the District’s facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District’s basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District’s food program and after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position: The District's governmental activities net position decreased \$740,485.54 between fiscal years 2016 and 2017. The business-type activities net assets decreased \$16,217.43 due to operating costs exceeding revenues.

	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	8,748,726	3,596,174	119,379	127,511	8,868,105	3,723,685
Capital Assets	13,826,719	14,024,817	27,271	18,195	13,853,990	14,043,012
Total Assets	22,575,445	17,620,991	146,650	145,706	22,722,095	17,766,697
Long-term Liabilities	11,264,028	5,168,443			11,264,028	5,168,443
Other Liabilities	249,218	658,514	17,859	698	267,077	659,212
Total Liabilities	11,513,246	5,826,957	17,859	698	11,531,105	5,827,655
Net Position						
Invested in Capital Assets	7,332,719	12,071,893	27,271	18,195	7,359,990	12,090,088
Restricted	2,491,497	2,590,919			2,491,497	2,590,919
Unrestricted	1,237,983	(2,868,778)	101,520	126,813	1,339,503	(2,741,965)
Total Net Position	11,062,199	11,794,034	128,791	145,008	11,190,990	11,939,042

Changes in net position. The total general fund revenue of the District increased approximately \$2,651,738 due to an increase in federal and state aid and charges for services. The local tax levy is 25.02% of total general fund revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 44.04% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations.

	2017		2016	
	2017 Amount	Percentage	2016 Amount	Percentage
Property taxes	\$ 3,891,744	25.02%	\$ 3,887,596	28.35%
Unrestricted Federal and State aid	6,849,172	44.04%	5,026,352	36.65%
Charges for Services	994,400	6.39%	513,710	3.75%
Miscellaneous	88,684	0.57%	251,711	1.84%
Operating grants and contributions	3,729,511	23.98%	4,035,198	29.42%
Totals	\$ 15,553,511	100.00%	\$ 13,714,567	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2017 and 2016 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenue						
Charges for services	\$ 994,400	513,710	77,543	78,412	1,071,943	592,122
Federal and state grants	3,729,511	4,035,198	173,759	190,846	3,903,270	4,226,044
General revenues						
Property taxes	3,891,744	3,887,596			3,891,744	3,887,596
State aid entitlements	6,849,172	5,026,352			6,849,172	5,026,352
Miscellaneous	88,684	251,711			88,684	251,711
Total revenues	15,553,511	13,714,567	251,302	269,258	15,804,813	13,983,825
Expenses						
Instruction:						
Regular	6,555,390	4,302,489			6,555,390	4,302,489
Special Education	2,771,084	841,711			2,771,084	841,711
Other special instruction	49,482	81,783			49,482	81,783
Other Instruction	61,717	62,124			61,717	62,124
Support services:						
Tuition	204,577	185,534			204,577	185,534
Student & instruction related	2,825,126	1,446,902			2,825,126	1,446,902
School admin services	604,948	307,424			604,948	307,424
General admin services	635,269	304,065			635,269	304,065
Central Services	329,477	194,640			329,477	194,640
Admin. Info Tech.	255,084	158,442			255,084	158,442
Plant operations/maint	1,399,020	954,984			1,399,020	954,984
Pupil transportation	459,259	459,049			459,259	459,049
Employee Benefits	-	3,971,124			-	3,971,124
Unallocated Depreciation and Amortization	-	434,474			-	434,474
Int & Charges on Long-Term Debt	143,564	56,864			143,564	56,864
Business-type activities			267,519	258,268	267,519	258,268
Total expenses	16,293,997	13,761,609	267,519	258,268	16,561,516	14,019,877
Excess (Deficiency) before Extraordinary and Special items	(740,486)	(47,042)	(16,217)	10,990	(756,703)	(36,052)
Transfers					-	-
Increase (decrease) in net position	(740,486)	(47,042)	(16,217)	10,990	(756,703)	(36,052)

Business-type Activities

Operating revenues of the District's business-type activities decreased by \$17,956 from the previous year and expenditures increased by \$9,251.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$6,917,462.78 which is \$4,390,896.15 higher than the beginning of the year. This is mainly a result of the district receiving funding for capital projects that are not yet completed.

General Fund Budgetary Highlights

As further explained in the notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue was more than the budget by \$205,580.90. This is a result of extraordinary and non-public transportation and, and an increase in tuition revenue. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf TPAF Pension Contributions, actual expenditures were \$925,517.65 less than the budgeted appropriations. This is result of lower maintenance costs and benefits costs.

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the District had invested over \$13 million, net of depreciation, in a broad range of capital assets, including land, buildings and equipment. Refer to Note 4 for more detailed information.

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and Improvements	\$ 321,720	329,786		-	321,720	329,786
Construction in progress	228,868	108,809		-	228,868	108,809
Buildings and Improvements	13,096,248	13,393,362		-	13,096,248	13,393,362
Equipment	179,883	192,860	27,271	18,195	207,154	211,055
Total	\$ 13,826,719	14,024,817	27,271	18,195	13,853,990	14,043,012

Long-term Debt

At June 30, 2017, the School district has \$11,264,028 of outstanding debt.

	Balance June 30, 2016	Issued	Retired/ Adjusted	Balance June 30, 2017
General Obligations Bonds	\$ 1,940,000	4,794,000	240,000	6,494,000
Premium on Bonds	12,924		1,615	11,309
Compensated Absences Payable	215,494	50,333	18,892	246,935
Net Pension Liability	3,241,640	1,270,144		4,511,784
Total	\$ 5,410,058	6,114,477	260,507	11,264,028

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at PO Box 318, 500 Elwood Road, Elwood, New Jersey 08217.

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BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2017

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DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-type funds as of June 30, 2017

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Mullica Township School District
Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	6,879,840.87	167,859.86	7,047,700.73
Receivables, net			-
Due from other governments	438,789.08	46,640.14	485,429.22
Internal Funds	100,855.00	(100,855.00)	-
Other receivables	-		-
Inventory	-	5,734.19	5,734.19
Capital assets not being depreciated:			
Land	233,181.44		233,181.44
Construction in progress	228,867.54		228,867.54
Capital assets, net of accumulated depreciation	<u>13,364,670.48</u>	<u>27,270.90</u>	<u>13,391,941.38</u>
Total Assets	<u>21,246,204.41</u>	<u>146,650.09</u>	<u>21,392,854.50</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>1,329,241.00</u>		<u>1,329,241.00</u>
Total Deferred Outflows of Resources	<u>1,329,241.00</u>	<u>-</u>	<u>1,329,241.00</u>
LIABILITIES			
Accounts payable	63,653.25	14,975.50	78,628.75
Accrued Interest Payable	61,301.02		61,301.02
Deferred Revenue	108,584.68	2,883.52	111,468.20
Noncurrent liabilities:			
Due within one year	246,615.00		246,615.00
Due beyond one year	6,505,629.00		6,505,629.00
Net Pension Liability	4,511,784.00		4,511,784.00
Total liabilities	<u>11,497,566.95</u>	<u>17,859.02</u>	<u>11,515,425.97</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>15,679.00</u>		<u>15,679.00</u>
NET POSITION			
Invested in Capital Assets, net of related debt	7,332,719.46	27,270.90	7,359,990.36
Restricted for:			
Other purposes	2,491,497.13	-	2,491,497.13
Unrestricted	1,237,982.87	101,520.17	1,339,503.04
Total Net Position	<u>11,062,199.46</u>	<u>128,791.07</u>	<u>11,190,990.53</u>

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

Mullica Township School District
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	5,121,565.28	1,433,824.52	874,393.00	1,219,640.97	(4,461,355.83)	(4,461,355.83)
Special education	2,388,458.84	382,625.59		1,427,513.32	(1,343,571.11)	(1,343,571.11)
Other special instruction	38,636.02	10,845.95		11,396.94	(38,085.03)	(38,085.03)
Other instruction	61,717.31				(61,717.31)	(61,717.31)
Support services:						
Tuition	204,577.25				(204,577.25)	(204,577.25)
Student and Instruction Related Services	2,323,908.91	501,215.65		1,065,130.22	(1,759,994.34)	(1,759,994.34)
General Administration	471,343.21	163,925.77			(635,268.98)	(635,268.98)
School Administration	458,306.26	146,641.62	112,500.00		(492,447.88)	(492,447.88)
Central Services	244,458.20	85,018.73			(329,476.93)	(329,476.93)
Administrative Information Technology	190,874.57	64,209.53	7,507.00		(247,577.10)	(247,577.10)
Plant Operations and Maintenance	1,052,685.18	346,334.64			(1,399,019.82)	(1,399,019.82)
Pupil Transportation	459,259.17				(459,259.17)	(459,259.17)
Unallocated benefits	3,134,642.00	(3,134,642.00)			-	-
Interest and Charges on Long-Term Debt	143,564.52				(143,564.52)	(143,564.52)
Total governmental activities	16,293,996.72	-	994,400.00	3,729,511.06	(11,570,085.66)	(11,570,085.66)
Business-type activities:						
Food Service	267,519.34		77,543.42	173,758.49	(16,217.43)	(16,217.43)
Total business-type activities	267,519.34		77,543.42	173,758.49	(16,217.43)	(16,217.43)
Total Primary Government	16,561,516.06		1,071,943.42	3,903,269.55	(11,570,085.66)	(11,586,303.09)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					3,592,852.00	3,592,852.00
Property taxes, levied for debt service					298,892.00	298,892.00
Federal and State Aid Not Restricted					6,849,172.39	6,849,172.39
Miscellaneous Income					88,683.73	88,683.73
Total General Revenues, Special Items, Extraordinary Items, and Transfers					10,829,600.12	10,829,600.12
Change in Net Position					(740,485.54)	(756,702.97)
Net Position—beginning					11,802,685.00	11,947,693.50
Net Position—ending					11,062,199.46	11,190,990.53

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

FUND FINANCIAL STATEMENTS

The combining and individual fund statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds - This section consists of the general, special revenue, capital projects funds.

Proprietary Funds - This section consists of the food service fund and internal service funds. This fund is operated in a manner similar to a private business enterprise.

Fiduciary Funds - This section consists of the unemployment compensation insurance trust fund, the student activity fund, and the payroll agency fund.

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Mullica Township School District
Balance Sheet
Governmental Funds
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and cash equivalents	1,973,724.28		4,576,300.46	2.13	6,550,026.87
Due from other funds	381,263.55				381,263.55
Receivables from other governments	86,923.85	293,954.23	57,911.00		438,789.08
Other Receivables					-
Total assets	<u>2,441,911.68</u>	<u>293,954.23</u>	<u>4,634,211.46</u>	<u>2.13</u>	<u>7,370,079.50</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	52,455.49		11,168.00		63,623.49
Due to other funds		225,277.55	55,131.00		280,408.55
Unearned revenue		108,584.68			108,584.68
Total liabilities	<u>52,455.49</u>	<u>333,862.23</u>	<u>66,299.00</u>	<u>-</u>	<u>452,616.72</u>
Fund Balances:					
Restricted for:					
Excess surplus	871,000.00				871,000.00
Excess surplus - designated for Subsequent year's expenditures	843,053.00				843,053.00
Capital Projects			4,567,912.46		4,567,912.46
Debt Service				2.13	2.13
Committed to:					
Maintenance Reserve	332,267.00				332,267.00
Capital Reserve	195,175.00				195,175.00
Emergency Reserve	250,000.00				250,000.00
Assigned to:					
Designated for Subsequent Year's Expenditures					-
Encumbrances					-
Unassigned, reported in:					
General Fund	(102,038.81)				(102,038.81)
Special Revenue Fund		(39,908.00)			(39,908.00)
Total Fund balances	<u>2,389,456.19</u>	<u>(39,908.00)</u>	<u>4,567,912.46</u>	<u>2.13</u>	<u>6,917,462.78</u>
Total Liabilities and Fund Balances	<u>2,441,911.68</u>	<u>293,954.23</u>	<u>4,634,211.46</u>	<u>2.13</u>	
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,458,465.39, and the accumulated depreciation is \$8,631,745.93					13,826,719.46
Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.					(61,301.02)
Pension Liabilities Net of Deferred Outflows & Inflows					(3,198,222.00)
Internal Service Fund Net Position					329,784.24
Long-term liabilities, including capital leases payable, are not due and payable in the current period therefore, are not reported as liabilities in the funds.					<u>(6,752,244.00)</u>
Net assets of governmental activities					<u>11,062,199.46</u>

Mullica Township School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	3,592,852.00			298,892.00	3,891,744.00
Tuition	874,393.00				874,393.00
Miscellaneous	80,031.48	6,946.18	4,794,000.00		4,880,977.66
State sources	6,816,525.97	363,520.32	-		7,180,046.29
Federal sources	32,646.42	924,379.55			957,025.97
Total revenues	<u>11,396,448.87</u>	<u>1,294,846.05</u>	<u>4,794,000.00</u>	<u>298,892.00</u>	<u>17,784,186.92</u>
EXPENDITURES					
Current:					
Regular instruction	3,403,596.00				3,403,596.00
Special education instruction	908,272.18	1,025,450.04			1,933,722.22
Other special instruction	25,746.00				25,746.00
Other instruction	61,717.31				61,717.31
Support services and undistributed costs:					
Tuition	204,577.25				204,577.25
Student and Instruction Related Services	1,189,779.90	538,452.40			1,728,232.30
General Administration	389,125.10				389,125.10
School Administration	348,096.17				348,096.17
Central Services	201,816.47				201,816.47
Administrative Information Technology	152,419.84				152,419.84
Plant Operations and Maintenance	822,125.16				822,125.16
Pupil Transportation	459,259.17				459,259.17
Unallocated Benefits	3,134,642.00				3,134,642.00
Capital outlay	94,626.13	5,829.61	228,867.54		329,323.28
Debt Service:					
Principal	-			240,000.00	240,000.00
Interest and Other Charges	-			58,892.50	58,892.50
Total expenditures	<u>11,395,798.68</u>	<u>1,569,732.05</u>	<u>228,867.54</u>	<u>298,892.50</u>	<u>13,493,290.77</u>
Excess (Deficiency) of revenues over expenditures	<u>650.19</u>	<u>(274,886.00)</u>	<u>4,565,132.46</u>	<u>(0.50)</u>	<u>4,290,896.15</u>
OTHER FINANCING SOURCES (USES)					
Transfer to Preschool Aid	(287,023.00)	287,023.00			-
Transfer to Food Service	-				-
Transfer from Internal Service Fund	100,000.00				100,000.00
Total other financing sources and uses	<u>(187,023.00)</u>	<u>287,023.00</u>	<u>-</u>	<u>-</u>	<u>100,000.00</u>
Net change in fund balances	(186,372.81)	12,137.00	4,565,132.46	(0.50)	4,390,896.15
Fund balance—July 1	2,575,829.00	(52,045.00)	2,780.00	2.63	2,526,566.63
Fund balance—June 30	<u>2,389,456.19</u>	<u>(39,908.00)</u>	<u>4,567,912.46</u>	<u>2.13</u>	<u>6,917,462.78</u>

Mullica Township 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, 2017

Total net change in fund balances - governmental funds (from B-2)		4,390,896.15
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
	Depreciation expense	(462,964.82)
	Disposals/Adjustments	(7,602.23)
	Capital Outlays	<u>272,469.79</u>
		(198,097.26)
<p>Repayment of bond and loan 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>		
		240,000.00
<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 assets.</p>		
		(4,794,000.00)
<p>Bond premiums are amortized over the lives of the bonds in the Statement of Activities but are recorded as an addition from the proceeds from sales of bonds in the governmental funds.</p>		
		1,615.00
<p>In the statement of activities, interest on capital leases in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an reduction in the reconciliation. (-)</p>		
District pension contributions - PERS	135,334.00	
Cost of benefits earned net of employee contributions	<u>(428,680.00)</u>	
		(293,346.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		(31,441.00)
<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 (decrease)/increase in accrued interest from the previous year is an increase/(decrease) in the reconciliation.</p>		
		(33,209.02)
<p>Internal service funds are used by management to charge the costs of certain activities, such as building use charges, to individual funds or other governmental entities. The net revenue (expense) of the internal service funds is reported with governmental activities. (See B-5)</p>		
		(22,903.41)
Change in net assets of governmental activities		<u><u>(740,485.54)</u></u>

Mullica Township School District
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities - Enterprise Funds	Governmental Activities
	Food Service	Internal Service Fund Totals
ASSETS		
Current assets:		
Cash and cash equivalents	167,859.86	329,814.00
Accounts receivable		
State	911.53	-
Federal	45,728.61	-
Other	-	-
Inventories	5,734.19	-
Total current assets	<u>220,234.19</u>	<u>329,814.00</u>
Noncurrent assets:		
Furniture, machinery & equipment	117,431.00	-
Less accumulated depreciation	<u>(90,160.10)</u>	<u>-</u>
Total noncurrent assets	<u>27,270.90</u>	<u>-</u>
Total assets	<u><u>247,505.09</u></u>	<u><u>329,814.00</u></u>
LIABILITIES		
Current liabilities:		
Accounts Payable	14,975.50	29.76
Deferred Revenue	2,883.52	-
Interfunds Payable	<u>100,855.00</u>	<u>-</u>
Total liabilities	<u>118,714.02</u>	<u>29.76</u>
NET POSITION		
Invested in capital assets net of accumulated depreciation	27,270.90	-
Unrestricted	<u>101,520.17</u>	<u>329,784.24</u>
Total net position	<u><u>128,791.07</u></u>	<u><u>329,784.24</u></u>

Mullica Township School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund Totals
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs	57,879.91	-
Daily Sales - Non-Reimbursable Programs	19,663.51	-
Miscellaneous	-	-
Shared Service - Washington Twp. School	-	112,500.00
Shared Service - Mullica Township	-	7,507.00
Total Operating Revenues	77,543.42	120,007.00
OPERATING EXPENSES:		
Salaries	95,963.00	38,053.29
Employee Benefits	18,121.39	-
Other Purchased Services	1,695.02	3,000.00
Supplies	9,408.56	-
Travel	-	357.12
Management Company Fee	22,499.82	-
Cost of Sales - Reimbursable	105,287.46	-
Cost of Sales - Non-Reimbursable	8,993.77	-
Depreciation	3,938.47	-
Other Costs	1,611.85	1,500.00
Total Operating Expenses	267,519.34	42,910.41
Operating income (loss)	(189,975.92)	77,096.59
NONOPERATING REVENUES:		
State sources:		
State School Lunch Program	3,086.98	-
Federal sources:		
National School Lunch Program	133,037.82	-
National School Breakfast Program	20,786.50	-
Food Distribution Program	16,847.19	-
Total Nonoperating Revenues	173,758.49	-
Net Income/(loss)	(16,217.43)	77,096.59
Transfer to other Funds		(100,000.00)
Interfund returned		8,652.25
Net Position - July 1	145,008.50	344,035.40
Net Position - June 30	128,791.07	329,784.24

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

Mullica Township School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund	Governmental Activities
	Food Service	Internal Service Fund Totals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 77,965.42	160,402.00
Cash payments to employees for services	(114,084.39)	(29,401.04)
Cash payments to suppliers for goods and services	(118,900.88)	(4,827.36)
Net cash provided/(used) by operating activities	<u>(155,019.85)</u>	<u>126,173.60</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from state and federal reimbursements	138,927.16	-
Operating subsidies and transfers from/(to) other funds	-	(100,000.00)
Return of Interfund	28,943.00	(8,652.25)
Net cash provided by noncapital financing activities	<u>167,870.16</u>	<u>(108,652.25)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of equipment	(13,015.00)	
Net cash (used) by capital financing activities	<u>(13,015.00)</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(164.69)	17,521.35
Cash and Cash Equivalents, July 1	168,024.55	312,292.65
Cash and Cash Equivalents, June 30	<u>167,859.86</u>	<u>329,814.00</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income/(Loss)	(189,975.92)	77,096.59
Adjustments to Reconcile Operating Income/(Loss) to Net Cash provided by (used for) Operating Activities:		
Depreciation	3,938.47	
Federal Commodities	16,847.19	
Change in assets and liabilities:		
(Increase) in accounts receivable	211.00	40,395.00
Decrease in inventory	(3,201.61)	-
(Decrease) in accounts payable	14,730.50	8,682.01
Increase in unearned revenue	2,430.52	
Net Cash Provided by (Used for) Operating Activities	<u>\$ (155,019.85)</u>	<u>\$ 126,173.60</u>

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

**Mullica Township School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017**

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 232,542.07	60,922.32
	<hr/>	<hr/>
Total assets	<u>232,542.07</u>	<u>60,922.32</u>
LIABILITIES		
Payable to student groups	-	52,275.94
Payroll deductions and withholdings	-	4,453.93
Payroll Reserve	-	2,924.40
Accounts Payable	-	1,268.05
Total liabilities	<hr/> <u>-</u>	<hr/> <u>60,922.32</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	<u>\$ 232,542.07</u>	

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

Mullica Township School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions	
Plan Members	\$ <u>13,264.83</u>
Total Additions	<u>13,264.83</u>
Deductions:	
Unemployment Claims	-
Total Deductions	<u>-</u>
Change in Net Position	13,264.83
Net Position - Beginning of the Year	<u>219,277.24</u>
Net Position - End of the Year	<u><u>\$ 232,542.07</u></u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mullica Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is 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 (Board) of the Mullica Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 Mullica Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades Pre-K-8. The Mullica Township School District had an approximate enrollment at June 30, 2017 of 739 students.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The 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 project, and debt service activities are classified as governmental activities. The District's food service and latch-key program are classified as business-type activities.

In the governmental-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 are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latch-key program). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. 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, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, On-behalf TPAF Post Retirement Medical Contributions and Reimbursed 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 position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

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

Mullica Township School District
Notes to Financial Statements
June 30, 2017

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria is applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes 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.

- a. **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.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are 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.
- d. **Debt Service** funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Mullica Township School District
Notes to Financial Statements
June 30, 2017

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is 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.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District’s enterprise funds consist of a food service fund, latch-key program and internal service fund.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. BASIS OF ACCOUNTING

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

1. Accrual:

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.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "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 liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 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 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.

Mullica Township School District
Notes to Financial Statements
June 30, 2017

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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2017, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 4,403.00
Supplies	1,331.19
Total	<u>\$ 5,734.19</u>

The value of Federal donated commodities 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. The value of commodities included in the food inventory on June 30, 2017 is \$1,712.80.

4. Capital:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of 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 provided on the straight-line basis over the following estimated useful lives:

Buildings	30-50 years
Equipment & Vehicles	3-20 years
Improvements	10-50 years
Software	5-7 years

Mullica Township School District
Notes to Financial Statements
June 30, 2017

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes 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. 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 the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

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

7. 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 for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences 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.

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. 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, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPS, 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 N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following are the major transfers made during the year.

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Mullica Township School District
Notes to Financial Statements
June 30, 2017

	<u>To</u>	<u>From</u>
Regular Programs - General Supplies		58,401.00
Special Education - Other Salaries for Instruction	60,862.00	
Basic Skills/Remedial - Salaries of Teachers		60,197.00
Tuition to Other LEAs within State - Special	88,600.70	
Tuition to Private Schools for the Disabled		42,344.00
Undistributed Expenditures - Speech, OT, PT		
Purchased Professional Educations Services	83,004.00	
Undistributed Expenditures - Guidance		
Salaries	135,435.00	
Undistributed Expenditures - Other Support Services		
Salaries of Other Professional Staff		96,668.40
Undistributed Expenditures - General Admin		
Other Purchased Professional Services	52,385.00	
Undistributed Expenditures - Transportation		
Contracted Services (Between Home and School)	146,250.00	
Contracted Services (Sp Ed) - Vendors		114,750.00
Unallocated Benefits - Health Benefits		28,795.47
Unallocated Benefits - Other Employee Benefits		(33,810.00)
Unallocated Benefits - Unused Sick Payment		43,586.00

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 last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

10. 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 the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Mullica Township School District
Notes to Financial Statements
June 30, 2017

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.

11. Tuition Payable

Tuition charges for the fiscal years 2016/17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

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

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the actual expenditures by program.

14. Pensions

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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 is effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement 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 is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

Mullica Township School District
Notes to Financial Statements
June 30, 2017

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 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. 81, "Irrevocable Split-Interest Agreements". This statement 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 – an amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement is effective for fiscal periods beginning after June 15, 2017, will have an effect on the District's financial reporting and will affect the disclosure of pension related items. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will have an effect on the District's financial reporting and disclosure of its lease obligations. Although not determinable, the impact of this statement on the net position of the entity is not anticipated to be significant.

NOTE 2. INVESTMENTS

As of June 30, 2017, the District had no investments.

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

Mullica Township School District
Notes to Financial Statements
June 30, 2017

Credit Risk. New Jersey Statutes 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 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2017, \$0 of the District's bank balance of \$8,205,594.56 was exposed to custodial credit risk.

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Mullica Township School District
Notes to Financial Statements
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NOTE 4. FIXED ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance				Balance
	June 30, 2016	Additions	Disposals	Adjustments	June 30, 2017
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 233,181				233,181
Construction in Progress	108,809	228,868	(108,809)		228,868
Total capital assets not being depreciated	<u>341,990</u>	<u>228,868</u>	<u>(108,809)</u>	<u>-</u>	<u>462,049</u>
Land Improvements	199,450				199,450
Bldg and bldg improve	21,133,226	110,862			21,244,088
Machinery & equipment	515,722	41,548		(4,392)	552,878
Total at historical cost	<u>21,848,398</u>	<u>152,410</u>	<u>-</u>	<u>(4,392)</u>	<u>21,996,416</u>
Less accum depr for:					
Land Improvements	(102,845)	(8,065)			(110,910)
Bldg and improve	(7,739,864)	(405,760)		(2,217)	(8,147,841)
Machinery & equipment	(322,862)	(49,140)		(993)	(372,995)
Total accum deprec	<u>(8,165,571)</u>	<u>(462,965)</u>	<u>-</u>	<u>(3,210)</u>	<u>(8,631,746)</u>
Total capital assets being depr, net of accum depr	<u>13,682,827</u>	<u>(310,555)</u>	<u>-</u>	<u>(7,602)</u>	<u>13,364,670</u>
Governmental activities capital assets, net	<u><u>\$ 14,024,817</u></u>	<u><u>(81,687)</u></u>	<u><u>(108,809)</u></u>	<u><u>(7,602)</u></u>	<u><u>13,826,719</u></u>
Business-type activities:					
Equipment	\$ 104,416	13,015			117,431
Less accum depr for:					
Equipment	<u>(86,221)</u>	<u>(3,939)</u>			<u>(90,160)</u>
Business-type activities capital assets, net	<u><u>\$ 18,195</u></u>	<u><u>9,076</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>27,271</u></u>

Mullica Township School District
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Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 211,765.91
Special education	56,511.13
Other special instruction	1,601.87
Student & instruction related services	74,026.07
School administrative expenses	21,657.95
General and business administration	24,210.70
Central Services	12,556.67
Information Technology	9,483.30
Plant operations and maintenance	51,151.22
	\$ 462,964.82

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Issued	Retired	Balance June 30, 2017	Amounts Due Within One Year
General Obligation Bonds	\$ 1,940,000	4,794,000	240,000	6,494,000	245,000
Compensated Absences	215,494	50,333	18,892	246,935	-
Premium on Bonds	12,924		1,615	11,309	1,615
Net Pension Liability	3,241,640	1,270,144		4,511,784	-
	\$ 5,410,058	6,114,477	260,507	11,264,028	246,615

A. Bonds Payable – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On June 9, 2011, the Board issued \$2,860,000 in general obligation bonds with an average interest rate of 3.230430% to advance refund \$2,769,000 of outstanding series bonds with an average interest rate of 4.507824%. The net proceeds of \$2,881,001 (after payment of \$47,401 in underwriting fees, insurance and other issuance costs) included an original issuance premium of \$21,001. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the series bonds. As a result, the series bonds are considered to be defeased and the liability for these bonds has been removed from net position.

On February 15, 2017, the Board issued \$2,893,000 in general obligation bonds, due in annual installments through 2033, with variable interest rates between 2% and 3.125%. The balance remaining as of June 30, 2017 is \$2,893,000.

Mullica Township School District
Notes to Financial Statements
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On June 1, 2017, the Board issued \$1,901,000 in general obligation bonds, due in annual installment through 2033, with variable interest rates between 2% and 3%. The balance remaining as of June 30, 2017 is \$1,901,000.

Debt Service requirements on serial bonds payable at June 30, 2017 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 245,000	181,682	426,682
2019	519,000	176,001	695,001
2020	380,000	160,236	540,236
2021	395,000	147,891	542,891
2022	520,000	133,616	653,616
2023-2027	2,235,000	460,214	2,695,214
2028-2033	1,800,000	199,981	1,999,981
2034	400,000	6,153	406,153
	<u>\$ 6,494,000</u>	<u>1,465,774</u>	<u>7,959,774</u>

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the 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.

Mullica Township School District
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Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 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 mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 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 employee contributions of 7.20% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.2% and the PERS rate is 7.2% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2017, 2016 and 2015 were \$962,503, \$839,148, and \$695,274, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for 2008. However, the contributions for 2011 and 2010 were not made by the State. The School District's contributions to PERS for the years ending June 30, 2017, 2016 and 2015 were \$139,958, \$124,151, and \$118,424, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2017, 2016 and 2015, the State of New Jersey contributed \$962,503, \$456,102, and \$426,569, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$383,732.97, \$365,389. and \$359,531 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Mullica Township School District
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Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Mullica Township School District
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Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 7: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

At June 30, 2017, the District reported a liability of \$4,511,784 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District's proportion was .01523369830%, which was an increase of 5.5% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$428,680.00. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

Mullica Township School District
Notes to Financial Statements
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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 83,906	15,679
Changes of assumptions	934,601	
Net difference between projected and actual earnings on pension plan investments	172,038	
Changes in proportion and differences between District contributions and proportionate share of contributions	138,696	
District contributions subsequent to the measurement date	<u>135,334</u>	
 Total	 <u>\$ 1,464,575</u>	 <u>15,679</u>

\$135,334 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30,</u>		
2018	\$	297,267.00
2019		297,267.00
2020		339,838.00
2021		284,387.00
2022		<u>94,802.00</u>
Total	\$	<u>1,313,561.00</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Mullica Township School District
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Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ 5,406,939	4,511,784	3,773,549.56

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 8. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>37,635,966</u>
Total	<u>\$ 37,635,966</u>

The net pension liability was measured as of June 30, 2016 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$2,827,819 and revenue of \$2,827,819 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

Mullica Township School District
Notes to Financial Statements
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 132,630	64,364
Changes of assumptions	7,512,590	
Net difference between projected and actual earnings on pension plan investments	686,410	
Changes in proportion and differences between District contributions and proportionate share of contributions		79,564
District contributions subsequent to the measurement date	381,017	
Total	<u>\$ 8,712,647.00</u>	<u>143,928.00</u>

\$381,017 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2018	\$ 1,202,811
2019	1,202,811
2020	1,409,069
2021	1,317,792
2022	1,113,170
Thereafter	1,942,050
Total	<u>\$ 8,187,703.0</u>

Actuarial assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post-retirement and disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

Mullica Township School District
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The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 20012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging market equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate. The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average

Mullica Township School District
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of the last five years of employers' contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.22% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.22%) or 1-percentage point higher (4.22%) than the current rate:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c. 62. Funding of post-retirement medical premiums changed from a prefunding 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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

NOTE 10. COMPENSATED ABSENCES

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

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. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee and are capped based on the terms stated in the various contracts.

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

NOTE 11. DEFERRED COMPENSATION

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

TSA Consulting Group

NOTE 12. 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. During the fiscal year ended June 30, 2017 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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 following is a summary of district contributions, employee

Mullica Township School District
Notes to Financial Statements
June 30, 2017

contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -	13,265	-	232,542
2015-2016	-	9,673	-	219,277
2014-2015	-	11,847	-	209,604

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 381,263.55	
Special Revenue Fund		225,277.55
Capital Projects Fund		55,131.00
Food Service Fund		100,855.00
Total	<u>\$ 381,263.55</u>	<u>381,263.55</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. It is anticipated that all interfunds will be liquidated during the fiscal year. All governmental fund interfunds are eliminated in the governmental-wide statements, except for Due From Agency, which is a Fiduciary Fund.

NOTE 14. ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 15 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Mullica Township School District for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Mullica Township School District
Notes to Financial Statements
June 30, 2017

The activity of the Maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$	252,483
Budgeted Increase - FY 2017		-
Excess Surplus Transfer by		
Board Resolution		179,784
Withdrawals:		
Per Approved Budget		(100,000)
Board Resolution		-
		<hr/>
Ending Balance, June 30, 2017	\$	<u>332,267</u>

NOTE 16 – EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Mullica Township School District for the accumulation of funds for use in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district School District between June 1 and June 30.

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the emergency reserve account for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$	250,000
Deposits		-
Withdrawals		-
		<hr/>
Ending balance, June 30, 2017	\$	<u>250,000</u>

NOTE 17. FUND BALANCE APPROPRIATED

General Fund – Of the \$2,905,744.19 General Fund fund balance at June 30, 2017, \$122,004.90 is reserved for encumbrances; \$1,714,053.00 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$843,053.00 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2018); \$27,935.00 has been legally restricted and included as anticipated revenue for the year ending June 30, 2018; \$332,267.00 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account, \$195,175 has been reserved in the Capital Reserve Account, and \$264,309.29 is unreserved and undesignated.

NOTE 18. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. 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, 2017 is \$1,714,053.00, of which \$843,053.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2018.

NOTE 19. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse affect on the accompanying financial statements.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$(39,908) in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

NOTE 21. SUBSEQUENT EVENTS

The District has evaluated events through November 30, 2017, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and special revenue funds.

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**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,592,852.00	-	3,592,852.00	3,592,852.00	-
Tuition	727,547.00	-	727,547.00	874,393.00	146,846.00
Miscellaneous	92,856.00	-	92,856.00	80,031.48	(12,824.52)
Total - Local Sources	4,413,255.00	-	4,413,255.00	4,547,276.48	134,021.48
State Sources:					
Categorical Transportation Aid	236,446.00	-	236,446.00	236,446.00	-
Categorical Special Education Aid	368,568.00	-	368,568.00	368,568.00	-
Equalization Aid	4,089,951.00	-	4,089,951.00	4,089,951.00	-
Categorical Security Aid	147,565.00	-	147,565.00	147,565.00	-
Adjustment Aid	534,788.00	-	534,788.00	534,788.00	-
Under Adequacy Aid	11,546.00	-	11,546.00	11,546.00	-
Extraordinary Aid	-	-	-	52,010.00	52,010.00
Nonpublic Transportation Aid	-	-	-	5,568.00	5,568.00
Other State Aid	19,060.00	-	19,060.00	19,060.00	-
On-Behalf TPAF Pension Contributions (non-budgeted)	-	-	-	525,937.00	525,937.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	436,566.00	436,566.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	383,732.97	383,732.97
Total - State Sources	5,407,924.00	-	5,407,924.00	6,811,737.97	1,403,813.97
Federal Sources:					
Medicaid Aid Reimbursement	18,665.00	-	18,665.00	32,646.42	13,981.42
Total - Federal Sources	18,665.00	-	18,665.00	32,646.42	13,981.42
Total Revenues	\$ 9,839,844.00	-	9,839,844.00	11,391,660.87	1,551,816.87

Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	353,825.00	-	353,825.00	313,565.96	40,259.04
Grades 1-5	1,536,674.00	(23,904.00)	1,512,770.00	1,510,864.69	1,905.31
Grades 6-8	1,119,825.00	23,904.00	1,143,729.00	1,143,728.61	0.39
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000.00	-	10,000.00	7,221.90	2,778.10
Purchased Professional - Educational Services	4,014.00	-	4,014.00	1,270.00	2,744.00
Regular Programs - Undistributed Instruction:					
Purchased Technical Services	132,676.08	(288.56)	132,387.52	119,456.60	12,930.92
Other Purchased Services (400-500 series)	40,189.00	(6,023.00)	34,166.00	32,061.28	2,104.72
General Supplies	356,861.54	(58,401.00)	298,460.54	261,387.46	37,073.08
Textbooks	1,000.00	-	1,000.00	-	1,000.00
Other Objects	28,250.00	3,300.00	31,550.00	14,039.50	17,510.50
Total Regular Programs	3,583,314.62	(61,412.56)	3,521,902.06	3,403,596.00	118,306.06
Special Education - Multiple Disabilities			-		
Salaries of Teachers	192,525.00	1,695.00	194,220.00	194,220.00	-
Other Salaries for Instruction	17,205.00	745.00	17,950.00	17,950.00	-
Purchased Professional - Educational Services	21,450.61	(4,971.00)	16,479.61	15,816.62	662.99
General Supplies	3,700.00	(3,090.00)	610.00	589.73	20.27
Total Multiple Disabilities	234,880.61	(5,621.00)	229,259.61	228,576.35	683.26
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	574,492.00	2,255.00	576,747.00	576,746.25	0.75
Other Salaries for Instruction	21,255.00	60,862.00	82,117.00	82,116.50	0.50
Purchased Technical Services	29,788.48	(8,437.00)	21,351.48	19,351.73	1,999.75
General Supplies	2,500.00	(1,018.00)	1,482.00	1,481.35	0.65
Total Resource Room/Resource Center	628,035.48	53,662.00	681,697.48	679,695.83	2,001.65
Total Special Education - Instruction	862,916.09	48,041.00	910,957.09	908,272.18	2,684.91

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Basic Skills/Remedial- Instruction					
Salaries of Teachers	61,835.00	(60,197.00)	1,638.00	-	1,638.00
Purchased Technical Services	1,000.00	(500.00)	500.00	-	500.00
General Supplies	500.00	(500.00)	-	-	-
Total Basic Skills/Remedial - Instruction	63,335.00	(61,197.00)	2,138.00	-	2,138.00
Bilingual Education - Instruction:					
Salaries of Teachers	26,200.00	-	26,200.00	25,746.00	454.00
Total Bilingual Education - Instruction	26,200.00	-	26,200.00	25,746.00	454.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	34,000.00	(1,510.00)	32,490.00	24,276.00	8,214.00
Total School Sponsored Cocurricular Activities - Instruction	34,000.00	(1,510.00)	32,490.00	24,276.00	8,214.00
School Sponsored Athletics - Instruction					
Salaries	16,340.00	1,510.00	17,850.00	17,850.00	-
Purchased Services (300-500 Series)	5,580.00	-	5,580.00	2,213.00	3,367.00
Supplies and Materials	3,350.00	(565.00)	2,785.00	2,054.79	730.21
Other Objects	1,825.00	-	1,825.00	1,799.00	26.00
Total School Sponsored Athletics - Instruction	27,095.00	945.00	28,040.00	23,916.79	4,123.21
Summer School - Instruction					
Salaries of Teachers	13,014.00	1,848.63	14,862.63	11,555.01	3,307.62
Other Salaries of Instruction	3,920.00	-	3,920.00	1,969.51	1,950.49
Purchase Professional & Technical Services	982.00	(383.63)	598.37	-	598.37
General Supplies	100.00	(100.00)	-	-	-
Other Objects	800.00	(800.00)	-	-	-
Total Summer School - Instruction	18,816.00	565.00	19,381.00	13,524.52	5,856.48

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Total Instruction	4,615,676.71	(74,568.56)	4,541,108.15	4,399,331.49	141,776.66
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Special	39,500.00	88,600.70	128,100.70	128,100.55	0.15
Tuition to CSSD & Regional Day Schools	95,161.00	(22,305.70)	72,855.30	67,263.30	5,592.00
Tuition to Private Schools for the Disabled- Within State	51,558.00	(42,344.00)	9,214.00	9,213.40	0.60
Tuition - Other	15,832.00	(15,832.00)	-	-	-
Total Undistributed Expenditures - Instruction	202,051.00	8,119.00	210,170.00	204,577.25	5,592.75
Undistributed Expenditures - Attendance and Social Work:					
Salaries	6,408.00	90.00	6,498.00	6,498.00	-
Other Purchased Services	200.00	(90.00)	110.00	53.95	56.05
Total Undistributed Expenditures - Attendance and Social Work	6,608.00	-	6,608.00	6,551.95	56.05
Undistributed Expenditures - Health Services:					
Salaries	131,392.00	(16,942.00)	114,450.00	114,450.00	-
Purchased Professional and Technical Services	17,661.12	(6,351.00)	11,310.12	11,190.00	120.12
Supplies and Materials	2,500.00	189.00	2,689.00	2,688.80	0.20
Total Undistributed Expenditures - Health Services	151,553.12	(23,104.00)	128,449.12	128,328.80	120.32

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Speech, OT, PT & Related Services					
Students - Related Services:					
Salaries	109,834.00	3,032.00	112,866.00	112,866.00	-
Purchased Professional Educational Services	39,720.00	83,004.00	122,724.00	120,798.08	1,925.92
Supplies and Materials	3,083.00	(2,917.00)	166.00	165.98	0.02
Total Undistributed Expenditures - Speech, OT, PT & Related Services	152,637.00	83,119.00	235,756.00	233,830.06	1,925.94
Undistributed Expenditures - Other Support Services - Extra. Serv.					
Salaries	244,833.00	(24,997.60)	219,835.40	211,623.18	8,212.22
Purchased Professional Educational Services	1,000.00	(1,000.00)	-	-	-
Total Undistributed Services - Other Support Services - Extra. Serv.	245,833.00	(25,997.60)	219,835.40	211,623.18	8,212.22
Undistributed Expenditures - Guidance					
Salaries	-	135,435.00	135,435.00	135,435.00	-
Total Undistributed Services - Guidance	-	135,435.00	135,435.00	135,435.00	-
Undistributed Expenditures - Other Support Services -					
Students - Special (CHILD STUDY TEAM)					
Salaries of Other Professional Staff	375,133.00	(96,668.40)	278,464.60	242,619.40	35,845.20
Salaries of Secretarial and Clerical Assistants	34,285.00	-	34,285.00	33,247.10	1,037.90
Other Purchased Professional & Technical Services	3,000.00	(678.67)	2,321.33	853.20	1,468.13
Other Purchased Services (400-500 Series)	2,912.00	1,709.00	4,621.00	3,966.78	654.22
Miscellaneous Purchased Services	500.00	(500.00)	-	-	-
Supplies and Materials	5,909.00	1,050.00	6,959.00	6,953.66	5.34
Other Objects	1,400.00	(5.00)	1,395.00	1,285.67	109.33
Total Undistributed Expenditures - Other Support Services -	423,139.00	(95,093.07)	328,045.93	288,925.81	39,120.12
Students - Special					

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Improvement of Instructional Services					
Salaries of Supervisor of Instruction	97,730.00	-	97,730.00	97,729.92	0.08
Salaries of Secretarial and Clerical Assistants	30,832.00	-	30,832.00	8,668.33	22,163.67
Other Purchased Professional & Technical Services	3,063.00	-	3,063.00	3,062.50	0.50
Other Purchased Services	2,750.00	(525.00)	2,225.00	651.93	1,573.07
Supplies & Materials	10,971.00	(1,400.00)	9,571.00	5,963.64	3,607.36
Other Objects	1,200.00	1,000.00	2,200.00	920.66	1,279.34
Total Undistributed Expenditures - Improvement of Instructional Services	146,546.00	(925.00)	145,621.00	116,996.98	28,624.02
Undistributed Expenditures - Educational Media Services - School Library					
Salaries	14,337.00	238.00	14,575.00	14,574.33	0.67
Purchased Professional and Technical Services	4,331.00	203.50	4,534.50	3,341.34	1,193.16
Other Purchased Services (400-500 Series)	20,912.00	23,554.00	44,466.00	42,233.39	2,232.61
Supplies and Materials	4,743.00	(1,323.00)	3,420.00	3,315.68	104.32
Other Objects	500.00	13.00	513.00	512.63	0.37
Total Undistributed Expenditures - Educational Media Services - School Library	44,823.00	22,685.50	67,508.50	63,977.37	3,531.13
Undistributed Expenditures - Instructional Staff Training Services					
Other Purchased Services (400-500 Series)	500.00	3,723.00	4,223.00	4,110.75	112.25
Total Undistributed Expenditures - Instructional Staff Training Services	500.00	3,723.00	4,223.00	4,110.75	112.25
Undistributed Expenditures - Support Services - Gen. Admin.:					
Salaries	187,930.00	(3,300.00)	184,630.00	171,636.34	12,993.66
Legal Services	60,000.00	(943.00)	59,057.00	56,229.77	2,827.23
Audit Fees	29,000.00	12,115.00	41,115.00	41,115.00	-
Architectural/Engineering Services	7,500.00	2,000.00	9,500.00	9,500.00	-
Other Purchased Prof. Services	4,500.00	52,385.00	56,885.00	53,534.12	3,350.88
Purchased Technical Services	11,353.00	(3,469.00)	7,884.00	4,447.33	3,436.67
Communications/Telephone	25,641.00	(4,252.00)	21,389.00	18,562.39	2,826.61
BOE Other Purchased Services	1,320.00	-	1,320.00	1,319.63	0.37
Other Purchased Services	10,962.00	2,829.00	13,791.00	12,562.11	1,228.89
General Supplies	5,021.00	1,618.00	6,639.00	6,113.70	525.30
BOE In-House Training/Meeting Supplies	500.00	(418.00)	82.00	-	82.00
Miscellaneous Expenditures	2,860.00	6,267.00	9,127.00	9,126.91	0.09
BOE Membership Dues & Fees	6,500.00	(1,522.00)	4,978.00	4,977.80	0.20
Total Undistributed Expenditures - Support Services - Gen. Admin.	353,087.00	63,310.00	416,397.00	389,125.10	27,271.90

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	204,977.00	-	204,977.00	204,976.80	0.20
Salaries of Secretarial and Clerical Assistants	136,107.00	-	136,107.00	126,987.82	9,119.18
Purchased Professional and Technical Services	10,873.40	(5,340.80)	5,532.60	3,218.13	2,314.47
Other Purchased Services	5,200.00	(1,320.00)	3,880.00	2,791.36	1,088.64
Supplies and Materials	8,042.00	(870.00)	7,172.00	7,055.78	116.22
Other Objects	3,200.00	(133.00)	3,067.00	3,066.28	0.72
Total Undistributed Expenditures - Support Serv. - School Admin.	368,399.40	(7,663.80)	360,735.60	348,096.17	12,639.43
Central Services					
Salaries	193,570.00	809.00	194,379.00	194,378.03	0.97
Purchased Professional Services	1,350.00	2,700.00	4,050.00	1,100.00	2,950.00
Miscellaneous Purchased Services	2,675.00	(1,436.00)	1,239.00	1,238.85	0.15
Supplies and Materials	4,521.00	(373.00)	4,148.00	3,684.59	463.41
Miscellaneous Expenditures	2,000.00	(585.00)	1,415.00	1,415.00	-
Total Central Services	204,116.00	1,115.00	205,231.00	201,816.47	3,414.53
Administrative Information Technology					
Salaries	62,730.00	3,770.00	66,500.00	66,499.92	0.08
Purchased Technical Services	73,513.00	3,685.00	77,198.00	73,397.33	3,800.67
Supplies and Materials	18,983.00	(5,694.00)	13,289.00	12,522.59	766.41
Other Objects	1,000.00	(1,000.00)	-	-	-
Total Administrative Information Technology	156,226.00	761.00	156,987.00	152,419.84	4,567.16
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	65,000.00	(56.00)	64,944.00	47,684.80	17,259.20
Cleaning Repairs and Maintenance Services	60,106.86	(17,914.00)	42,192.86	27,401.14	14,791.72
General Supplies	22,600.00	7,912.00	30,512.00	21,429.80	9,082.20
Other Objects	1,112.00	(112.00)	1,000.00	400.00	600.00
Total Undistributed Expenditures - Required Maintenance for School Facilities	148,818.86	(10,170.00)	138,648.86	96,915.74	41,733.12

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Operation and Maintenance - Custodial Services					
Salaries	330,299.00	1,320.00	331,619.00	297,821.52	33,797.48
Salaries of Non-Instructional Aides	29,360.00	-	29,360.00	12,671.70	16,688.30
Purchased Professional and Technical Services	36,532.54	(1,020.00)	35,512.54	26,264.40	9,248.14
Cleaning, Repair and Maintenance Services	62,903.60	(11,436.00)	51,467.60	39,399.46	12,068.14
Insurance	70,666.00	548.26	71,214.26	70,214.26	1,000.00
General Supplies	62,220.56	(23,658.82)	38,561.74	30,074.28	8,487.46
Energy (Electricity)	135,000.00	110.56	135,110.56	131,917.73	3,192.83
Energy (Oil)	1,000.00	(128.00)	872.00	-	872.00
Energy (Gasoline)	1,000.00	128.00	1,128.00	303.87	824.13
Energy (Natural Gas)	65,000.00	(22,000.00)	43,000.00	30,116.80	12,883.20
Total Undistributed Exp - Operation and Maintenance - Custodial Services	793,981.70	(56,136.00)	737,845.70	638,784.02	#
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	36,050.00	170.00	36,220.00	36,218.40	1.60
Cleaning, Repair and Maintenance Services	18,600.00	-	18,600.00	4,408.66	14,191.34
General Supplies	4,800.00	-	4,800.00	1,621.83	3,178.17
Total Undistributed Expenditures - Care and Upkeep of Grounds	59,450.00	170.00	59,620.00	42,248.89	17,371.11
Undistributed Expenditures - Security					
Purchased Professional & Technical Services	1,800.00	(1,052.00)	748.00	-	748.00
Cleaning, Repair and Maintenance Services	45,000.00	(133.00)	44,867.00	43,852.00	1,015.00
General Supplies	1,000.00	1,185.00	2,185.00	324.51	1,860.49
Total Undistributed Expenditures - Security	47,800.00	-	47,800.00	44,176.51	3,623.49
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	1,050,050.56	(66,136.00)	983,914.56	822,125.16	161,789.40
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	29,204.26	(7,550.00)	21,654.26	15,807.69	5,846.57
Other Purchased Prof. and Technical Services	4,350.00	700.00	5,050.00	5,050.00	-
Contracted Services - (Between Home and School) - Vendors	15,028.00	(9,724.00)	5,304.00	5,304.00	-
Contracted Services - (Between Home and School) - Joint Agreements	277,446.32	146,250.00	423,696.32	359,321.67	64,374.65
Contracted Services - (Sp Ed Students) - Vendors	161,558.05	(114,750.00)	46,808.05	45,487.81	1,320.24
Contracted Services - Aid in Lieu of Payments-Non Public School	22,100.00	6,189.00	28,289.00	28,288.00	1.00
Total Undistributed Expenditures - Student Transportation Serv.	509,686.63	21,115.00	530,801.63	459,259.17	71,542.46

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Unallocated Benefits:					
Social Security Contributions	140,000.00	19,000.00	159,000.00	78,433.30	80,566.70
Other Retirement Contributions - PERS	163,375.00	(19,428.00)	143,947.00	118,086.31	25,860.69
Other Retirement Contributions - Regular	-	428.00	428.00	428.00	-
Unemployment Compensation	20,000.00	(17,550.00)	2,450.00	2,448.19	1.81
Workmen's Compensation	112,102.00	(7,650.00)	104,452.00	101,142.03	3,309.97
Health Benefits	1,655,076.97	(28,795.47)	1,626,281.50	1,417,176.89	209,104.61
Tuition Reimbursements	34,764.00	(675.00)	34,089.00	22,924.91	11,164.09
Other Employee Benefits	41,097.26	(33,810.00)	7,287.26	4,180.90	3,106.36
Unused Sick Payment to Term/Ret Staff	-	43,586.00	43,586.00	43,585.50	0.50
Total Unallocated Benefits	2,166,415.23	(44,894.47)	2,121,520.76	1,788,406.03	333,114.73
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	525,937.00	(525,937.00)
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)	-	-	-	436,566.00	(436,566.00)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	383,732.97	(383,732.97)
Total On-Behalf Contributions	-	-	-	1,346,235.97	(1,346,235.97)
Total Undistributed Expenditures	6,181,670.94	75,568.56	6,257,239.50	6,901,841.06	(644,601.56)
Total Current Expense	10,797,347.65	1,000.00	10,798,347.65	11,301,172.55	(502,824.90)
Capital Outlay:					
Equipment:					
Instruction	3,425.00	-	3,425.00	3,425.00	-
Non-Instructional Services	54,718.95	-	54,718.95	38,123.13	16,595.82
Total Equipment	58,143.95	-	58,143.95	41,548.13	16,595.82
Facility Acquisition and Construction Services:					
Legal Services	-	-	-	-	-
Architectural/Engineering Services	20,500.00	-	20,500.00	-	20,500.00
Interest Deposit to Capital Reserve	1,000.00	(1,000.00)	-	-	-
Construction Services	30,000.00	(24,402.00)	5,598.00	-	5,598.00
Supplies and Materials	15,010.76	24,402.00	39,412.76	-	39,412.76
Assessment for Debt Service on SDA Funding	53,078.00	-	53,078.00	53,078.00	-
Total Facilities Acquisition and Construction Services	119,588.76	(1,000.00)	118,588.76	53,078.00	65,510.76
Total Capital Outlay	177,732.71	(1,000.00)	176,732.71	94,626.13	82,106.58

**Mullica Township School District
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Total Expenditures	10,975,080.36	0.00	10,975,080.36	11,395,798.68	(420,718.32)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,135,236.36)	(0.00)	(1,135,236.36)	(4,137.81)	1,131,098.55
Other Financing Sources (Uses):					
Transfer to Preschool Aid	(287,023.00)		(287,023.00)	(287,023.00)	-
Transfer to Food Service	(17,000.00)		(17,000.00)	100,000.00	17,000.00
Transfer from Internal Service Fund	-		-	-	100,000.00
Total Other Financing Sources (Uses)	(304,023.00)	-	(304,023.00)	(187,023.00)	117,000.00
Fund Balances, July 1	3,096,905.00	-	3,096,905.00	3,096,905.00	-
Fund Balances, June 30	1,657,645.64	(0.00)	1,657,645.64	2,905,744.19	1,248,098.55
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus				871,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				843,053.00	
Committed Fund Balance:					
Maintenance Reserve				332,267.00	
Capital Reserve				195,175.00	
Emergency Reserve				250,000.00	
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures				27,935.00	
Reserve for Encumbrances				122,004.90	
Unassigned Fund Balance				264,309.29	
				2,905,744.19	
Reconciliation to Governmental Funds Statements (GAAP):				(516,288.00)	
Last State Aid Payment not Recognized on GAAP Basis				-	
Fund Balance Per Governmental Funds (GAAP)				2,389,456.19	

Mullica Township School District
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources	287,023.00	8,741.35	295,764.35	293,969.18	(1,795.17)
Slate Sources:	416,268.00	(15,264.00)	401,004.00	351,383.32	(49,620.68)
Federal Sources:	408,484.00	687,107.07	1,095,591.07	973,687.23	(121,903.84)
Total Revenues	1,111,775.00	680,584.42	1,792,359.42	1,619,039.73	(173,319.69)
EXPENDITURES:					
Instruction					
Salaries of Teachers	441,487.00	151,874.90	593,361.90	583,928.70	9,433.20
Other Salaries for Instruction	154,000.00	(3,950.20)	150,049.80	131,757.99	18,291.81
Purchased Professional and Technical Services	20,500.00	54,106.02	74,606.02	57,178.65	17,427.37
Other Purchased Services (400-500 series)	177,791.00	33,653.00	211,444.00	179,101.38	32,342.62
General Supplies	8,860.00	57,511.09	66,371.09	56,207.12	10,163.97
Other Objects	-	18,875.00	18,875.00	17,276.20	1,598.80
Total Instruction	802,638.00	312,069.81	1,114,707.81	1,025,450.04	89,257.77
EXPENDITURES (CONT'D):					
Support Services					
Salaries	-	148,565.20	148,565.20	130,620.22	17,944.98
Salaries of Program Directors	5,000.00	-	5,000.00	4,999.92	0.08
Salaries of Other Professional Staff	31,845.00	1,540.20	33,385.20	30,106.78	3,278.42
Salaries of Secretaries and Clerical Assistants	3,210.00	-	3,210.00	1,170.27	2,039.73
Personal Services- Employee Benefits	147,682.00	148,546.87	296,228.87	281,880.26	14,348.61
Professional and Technical Services	4,331.00	35,139.00	39,470.00	30,616.26	8,853.74
Other Purchased Services (400-500 Series)	56,349.00	21,671.00	78,020.00	64,999.43	13,020.57
Contracted Services (Bet. Home & School)	54,280.00	(21,115.00)	33,165.00	33,165.00	-
Travel	-	2,907.37	2,907.37	301.88	2,605.49
Supplies and Materials	6,440.00	25,429.59	31,869.59	9,900.06	21,969.53
Total Support Services	309,137.00	362,684.23	671,821.23	587,760.08	84,061.15
Facilities aquisition and construction services:					
Instructional Equipment	-	5,830.38	5,830.38	5,829.61	0.77
Total Facilities acquisition and construction services	-	5,830.38	5,830.38	5,829.61	0.77
Total expenditures	1,111,775.00	680,584.42	1,792,359.42	1,619,039.73	173,319.69
Excess (Deficiency) of Revenues Over (Under) Expenditure:					
	-	-	-	-	-

Mullica Township School District
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2017

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

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	11,391,660.87	1,619,039.73
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior Year			9,490.00
Current year			(58,797.68)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		521,076.00	52,045.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(516,288.00)	(39,908.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	11,396,448.87	1,581,869.05
 Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	11,395,798.68	1,619,039.73
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior Year			9,490.00
Current year			(58,797.68)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	11,395,798.68	1,569,732.05

Required Supplemental Information
Part III

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MULLICA TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Four Fiscal Years

	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0152336983%	0.01444%	0.01437%	0.01473%
District's proportionate of the net pension liability (asset)	\$ 4,511,784	3,241,640	2,689,544	2,815,918
District's covered payroll	1,048,145	1,073,074	1,047,358	941,690
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	430.45%	302.09%	256.79%	299.03%
Plan fiduciary net position as a percentage of the total pension liability	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

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

MULLICA TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 139,958	135,334	124,151	118,424
Contributions in relation to the contractually required contribution	<u>139,958</u>	<u>135,334</u>	<u>124,151</u>	<u>118,424</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	1,048,145	1,073,074	1,047,358	941,690
Contributions as a percentage of covered-employee payroll	13.35%	12.61%	11.85%	12.58%

Source: GASB 68 report on Public Employees' Retirement System; District records

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

MULLICA TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	<u>37,635,966</u>	<u>31,413,529</u>	<u>26,824,239</u>	<u>24,132,097</u>
Total	<u><u>37,635,966</u></u>	<u><u>31,413,529</u></u>	<u><u>26,824,239</u></u>	<u><u>24,132,097</u></u>
District's covered payroll	5,284,532	4,936,647	4,669,874	4,790,449
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	23.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

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

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SPECIAL REVENUE FUND

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

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Mullica Township School District
 Special Revenue Fund
 Combining Schedule of Revenue and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Title I	Title II A	IDEA Basic	IDEA Basic Carryover	21st Century Grant	21st Century Supplementary	Total Federal	Preschool Education Aid	Total State	Local Projects	Total
REVENUES:											
State Sources	215,437.70	16,196.53	208,442.00	14,275.06	495,242.50	24,093.44	973,687.23	351,383.32	351,383.32	6,946.18	351,383.32
Federal Sources								287,023.00	287,023.00		973,687.23
Local Sources											293,969.18
Total revenues	215,437.70	16,196.53	208,442.00	14,275.06	495,242.50	24,093.44	973,687.23	638,406.32	638,406.32	6,946.18	1,619,039.73
EXPENDITURES											
Instruction:											
Salaries of Teachers	146,752.51				139,722.31	4,328.88	290,803.70	293,125.00	293,125.00		583,928.70
Other Salaries for Instruction								131,757.99	131,757.99		131,757.99
Purchased Prof. and Technical Services	1,174.52		47,324.03	460.10	8,220.00		57,178.65				57,178.65
Other Purchased Services (400-500 Series)			160,282.00		12,450.00		172,732.00	6,369.38	6,369.38		179,101.38
General Supplies	1,500.00		835.97		44,336.32	6,983.40	53,655.69	1,751.43	1,751.43	800.00	56,207.12
Other Objects					17,276.20		17,276.20				17,276.20
Total instruction	149,427.03	-	208,442.00	460.10	209,554.83	23,762.28	591,646.24	433,003.80	433,003.80	800.00	1,025,450.04
Support services:											
Salaries		1,565.75			129,054.47		130,620.22				130,620.22
Salaries of Program Directors								4,999.92	4,999.92		4,999.92
Salaries of Other Professional Staff								30,106.78	30,106.78		30,106.78
Salaries of Secretaries and Clerical Assistants								1,170.27	1,170.27		1,170.27
Other Salaries											
Personal Services- Employee Benefits	66,010.67	119.78			80,652.36	331.16	147,113.97	134,766.29	134,766.29		281,880.26
Professional and Technical Services		13,922.00			15,500.00		29,422.00	1,194.26	1,194.26		30,616.26
Other Purchased Services (400-500 Series)		589.00		9,540.00	54,870.43		64,999.43				64,999.43
Contracted Services (Bet. Home & School)								33,165.00	33,165.00		33,165.00
Travel					301.88		301.88				301.88
Supplies and Materials				839.58	2,914.30		3,753.88			6,146.18	9,900.06
Total support services	66,010.67	16,196.53	-	10,379.58	283,293.44	331.16	376,211.38	205,402.52	205,402.52	6,146.18	587,760.08
Facilities Acquisition and Construction Services:											
Instructional Equipment				3,435.38	2,394.23		5,829.61				5,829.61
Non-instructional Equipment											
Total Facilities Acquisition and Construction Services:				3,435.38	2,394.23		5,829.61				5,829.61
Total expenditures	215,437.70	16,196.53	208,442.00	14,275.06	495,242.50	24,093.44	973,687.23	638,406.32	638,406.32	6,946.18	1,619,039.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-

Mullica Township School District
Special Revenue Fund
Statement of Preschool Education Aid
Budgetary Basis
For the Fiscal Year Ended June 30, 2017

E-2

	2017		Variance
	Budgeted	Actual	
EXPENDITURES:			
Instructional:			
Salaries of Teachers	293,125.00	293,125.00	-
Other Salaries for Instruction	150,409.80	131,757.99	18,651.81
Other Purchased Services (400-500 Series)	19,214.00	6,369.38	12,844.62
General Supplies	3,000.00	1,751.43	1,248.57
Total Instruction	465,748.80	433,003.80	32,745.00
Support Services:			
Salaries of Program Directors	5,000.00	4,999.92	0.08
Salaries of Other Professional Staff	33,385.20	30,106.78	3,278.42
Salaries of Secretaries and Clerical Assistants	3,210.00	1,170.27	2,039.73
Personal Services - Employee Benefits	143,533.00	134,766.29	8,766.71
Professional and Technical Services	3,985.00	1,194.26	2,790.74
Contracted Services (Bet. Home & School)	33,165.00	33,165.00	-
Total Support Services	222,278.20	205,402.52	16,875.68
Total Expenditures	688,027.00	638,406.32	49,620.68

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2016-17 Preschool Education Aid Allocation	401,004.00
Add: Actual PEA Carryover (June 30, 2016)	58,964.00
Add: Budgeted transfer from the General Fund	287,023.00
Total Preschool Education Aid Funds Available for 2016-17 Budget	746,991.00
Less: 2016-17 Budgeted Preschool Education Aid (including prior year budgeted carryover)	(688,027.00)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2017	58,964.00
Add: June 30, 2017 Unexpended Preschool Education Aid	49,620.68
2016-17 Actual Carryover - Preschool Education Aid	108,584.68
2016-17 Preschool Education Aid Carryover Budget in 2017-18	58,964.00

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.

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**Mullica Township School District
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2017**

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2017
			Prior Years	Current Year	
Various Capital Improvements	2013	128,722.00	123,488.00		5,234.00
Roofing Repairs and Replacements	2017	2,893,000.00	-	225,744.11	2,667,255.89
HVAC and Lighting Upgrades	2017	1,901,000.00	-	3,123.43	1,897,876.57
		\$ 4,922,722.00	123,488.00	228,867.54	4,570,366.46

**Mullica Township School District
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2017**

Revenues and Other Financing Sources:

State Sources - ROD Grant	\$	-
Bond Proceeds		4,794,000.00
		<u>4,794,000.00</u>
Total revenues		<u>4,794,000.00</u>

Expenditures and Other Financing Uses:

Purchased professional & technical services		228,867.54
Construction services		-
		<u>228,867.54</u>
Total expenditures		<u>228,867.54</u>
Excess of revenues over expenditures		4,565,132.46
Fund balance - beginning		5,234.00
Fund balance - ending	\$	<u><u>4,570,366.46</u></u>

**Mullica Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Fire Alarm System Replacement
For the Fiscal Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources- ROD Grant	\$ 60,365.00		60,365.00	60,365.00
Transfer from Capital Reserve	68,357.00		68,357.00	68,357.00
 Total revenues	<u>128,722.00</u>	<u>-</u>	<u>128,722.00</u>	<u>128,722.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	18,687.00		18,687.00	23,921.00
Construction services	104,801.00		104,801.00	104,801.00
 Total expenditures	<u>123,488.00</u>	<u>-</u>	<u>123,488.00</u>	<u>128,722.00</u>
 Excess of revenues over expenditures	<u>\$ 5,234.00</u>	<u>-</u>	<u>5,234.00</u>	<u>-</u>
 Additional project information:				
Project numbers	3480-020-14-1001			
Grant Date	2013-2014			
Bond Authorization Date	N/A			
Bond Authorized	N/A			
Bonds Issued	N/A			
 Original Authorized Cost	128,722			
Additional Authorized Cost	-			
Revised Authorized Cost	128,722			
 Percentage Increase over Original Authorized Cost				
Percentage Completion	96%			
Original Target Completion Date	2014-2015			
Revised Target Completion Date	N/A			

**Mullica Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
Roofing Repairs and Replacement and Miscellaneous Renovations
For the Fiscal Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources- ROD Grant			-	
Bond Proceeds		2,893,000.00	2,893,000.00	2,893,000.00
Total revenues	-	2,893,000.00	2,893,000.00	2,893,000.00
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		225,744.11	225,744.11	255,354.00
Construction services			-	2,637,646.00
Total expenditures		225,744.11	225,744.11	2,893,000.00
Excess of revenues over expenditures	\$ -	2,667,255.89	2,667,255.89	-

Additional project information:

Project numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bond Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,893,000
Additional Authorized Cost	-
Revised Authorized Cost	2,893,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8%
Original Target Completion Date	2018
Revised Target Completion Date	N/A

**Mullica Township School District
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC and Lighting Upgrades and Parking Lot Addition
For the Fiscal Year Ended June 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources- ROD Grant			-	
Bond Proceeds		1,901,000.00	1,901,000.00	1,901,000.00
Total revenues	-	1,901,000.00	1,901,000.00	1,901,000.00
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		3,123.43	3,123.43	195,928.00
Construction services			-	1,705,072.00
Total expenditures		3,123.43	3,123.43	1,901,000.00
Excess of revenues over expenditures	\$ -	1,897,876.57	1,897,876.57	-

Additional project information:

Project numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bond Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	1,901,000
Additional Authorized Cost	-
Revised Authorized Cost	1,901,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0.16%
Original Target Completion Date	2018
Revised Target Completion Date	

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PROPRIETARY FUNDS

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

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

Internal Service Funds- This fund accounts for the operation of internal service agreements with Mullica Township and Washington Township Board of Education.

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Mullica Township School District
Enterprise Funds
Combining Balance Sheet
June 30, 2017

G-1

	Business Type	Governmental Activities		Total
	Activity	Internal Service	Internal Service	
	Food	Washington Twp BOE	Mullica Township	
	Service			
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 167,859.86	328,557.00	1,257.00	329,814.00
Accounts Receivable:				
State	911.53	-	-	-
Federal	45,728.61	-	-	-
Other		-	-	-
Inventories	5,734.19	-	-	-
Total Current Assets	<u>220,234.19</u>	<u>328,557.00</u>	<u>1,257.00</u>	<u>329,814.00</u>
Fixed Assets:				
Furniture, Machinery and Equipment	117,431.00	-	-	-
Accumulated depreciation	(90,160.10)	-	-	-
Total Fixed Assets	<u>27,270.90</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>247,505.09</u>	<u>328,557.00</u>	<u>1,257.00</u>	<u>329,814.00</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	14,975.50	29.76	-	29.76
Deferred Revenue	2,883.52			-
Interfunds Payable	100,855.00	-	-	-
Total current liabilities	<u>118,714.02</u>	<u>29.76</u>	<u>-</u>	<u>29.76</u>
NET ASSETS				
Investment in capital assets, net of related debt	27,270.90			-
Unreserved Net Assets	101,520.17	328,527.24	1,257.00	329,784.24
Total net assets	<u>128,791.07</u>	<u>328,527.24</u>	<u>1,257.00</u>	<u>329,784.24</u>
Total liabilities and net assets	<u>\$ 247,505.09</u>	<u>328,557.00</u>	<u>1,257.00</u>	<u>329,814.00</u>

Mullica Township School District
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balance
For the Fiscal Year ended June 30, 2017

G-2

	Business Type	Governmental Activities		Total
	Activity	Internal Service	Internal Service	
	Food Service	Washington Twp BOE	Mullica Township	
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs	\$ 57,879.91			-
Daily Sales - Non-Reimbursable Programs	19,663.51			-
Shared Services - Washington Twp BOE		112,500.00		112,500.00
Shared Services - Mullica Township			7,507.00	7,507.00
Total Operating Revenues	77,543.42	112,500.00	7,507.00	120,007.00
OPERATING EXPENSES:				
Salaries	95,963.00	31,803.29	6,250.00	38,053.29
Employee Benefits	18,121.39			-
Other Purchased Services	1,695.02	3,000.00		3,000.00
Supplies	9,408.56			-
Travel		357.12		357.12
Management Fee	22,499.82			-
Cost of Sales - Reimbursable	105,287.46			-
Cost of Sales - Non-Reimbursable	8,993.77			-
Depreciation	3,938.47			-
Miscellaneous	1,611.85	1,500.00		1,500.00
Total Operating Expenses	267,519.34	36,660.41	6,250.00	42,910.41
Operating income (loss)	(189,975.92)	75,839.59	1,257.00	77,096.59
NONOPERATING REVENUES:				
State sources:				
State School Lunch Program	3,086.98			-
Federal sources:				
National School Lunch Program	133,037.82			-
National School Breakfast Program	20,786.50			-
Food Distribution Program	16,847.19			-
Interest Revenues				-
Total Nonoperating Revenues	173,758.49	-	-	-
Net Income (Loss)	(16,217.43)	75,839.59	1,257.00	77,096.59
Operating Transfer	-	(100,000.00)	-	(100,000.00)
Interfund returned	-	8,652.25	-	8,652.25
Net Assets - July 1	145,008.50	344,035.40	-	344,035.40
Net Assets - June 30	\$ 128,791.07	328,527.24	1,257.00	329,784.24

Mullica Township School District
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year ended June 30, 2017

G-3

	Business Type	Governmental Activities		Total
	Activity	Internal Service Washington Twp BOE	Internal Service Mullica Township	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 77,965.42	152,895.00	7,507.00	160,402.00
Cash payments to employees for services	(114,084.39)	(23,151.04)	(6,250.00)	(29,401.04)
Cash payments to suppliers for goods and services	(118,900.88)	(4,827.36)	-	(4,827.36)
Net cash provided (used) by operating activities	<u>(155,019.85)</u>	<u>124,916.60</u>	<u>1,257.00</u>	<u>126,173.60</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Cash received from state and federal reimbursements	138,927.16			-
Operating subsidies and transfers to other funds	-	(100,000.00)		(100,000.00)
Interfund loans	28,943.00	(8,652.25)		(8,652.25)
Net cash provided by noncapital financing activities	<u>167,870.16</u>	<u>(108,652.25)</u>	<u>-</u>	<u>(108,652.25)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:				
Purchase of equipment	(13,015.00)			-
Net cash used by capital financing activities	<u>(13,015.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	-			-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	(164.69)	16,264.35	1,257.00	17,521.35
Cash and Cash Equivalents, July 1	168,024.55	312,292.65	-	312,292.65
Cash and Cash Equivalents, June 30	<u>167,859.86</u>	<u>328,557.00</u>	<u>1,257.00</u>	<u>329,814.00</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating Income (Loss)	(189,975.92)	75,839.59	1,257.00	77,096.59
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:				-
Depreciation	3,938.47			-
Federal Commodities	16,847.19			-
Change in assets and liabilities:				-
Decrease in accounts receivable	211.00	40,395.00		40,395.00
(Increase) in inventory	(3,201.61)			-
Increase in accounts payable	14,730.50	8,682.01		8,682.01
Increase in unearned revenue	2,430.52			-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (155,019.85)</u>	<u>124,916.60</u>	<u>1,257.00</u>	<u>126,173.60</u>

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FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Compensation Insurance Trust Fund-

This is an expendable trust fund used to pay unemployment compensation insurance claims.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

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Mullica Township School District
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Totals</u>
ASSETS:			
Cash and cash equivalents	\$ 232,542.07	60,922.32	293,464.39
Total Assets	<u>232,542.07</u>	<u>60,922.32</u>	<u>293,464.39</u>
LIABILITIES:			
Liabilities:			
Due to Student Groups		52,275.94	52,275.94
Payroll Deductions and Withholdings		4,453.93	4,453.93
Payroll Reserve		2,924.40	2,924.40
Accounts Payable		1,268.05	1,268.05
Total Liabilities	<u>-</u>	<u>60,922.32</u>	<u>60,922.32</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 232,542.07</u>		<u>232,542.07</u>
Total Net Position:			<u>232,542.07</u>
Total Liabilities and Net Position			<u>293,464.39</u>

**Mullica Township School District
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year ended June 30, 2017**

H-2

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
Additions:		
Contributions:		
Plan Members	\$ 13,264.83	13,264.83
Total Additions	<u>13,264.83</u>	<u>13,264.83</u>
Deductions:		
Unemployment Claims		-
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	13,264.83	13,264.83
Net Position - Beginning of the Year	<u>219,277.24</u>	<u>219,277.24</u>
Net Position - End of the Year	<u>\$ 232,542.07</u>	<u>232,542.07</u>

**Mullica Township School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017**

H-3

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 52,785.68	38,923.51	38,165.20	53,543.99
Total Assets	<u>52,785.68</u>	<u>38,923.51</u>	<u>38,165.20</u>	<u>53,543.99</u>
LIABILITIES:				
Due to Student Groups	52,785.68	37,655.46	38,165.20	52,275.94
Accounts Payable	-	1,268.05		1,268.05
Total Liabilities	<u>\$ 52,785.68</u>	<u>38,923.51</u>	<u>38,165.20</u>	<u>53,543.99</u>

Mullica Township School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2017

H-4

	Balance July 1, 2016	Additions	Deletions	Balance July 1, 2017
ASSETS:				
Cash and cash equivalents	\$ 7,378.29	7,640,730.52	7,640,730.48	7,378.33
Total assets	<u>7,378.29</u>	<u>7,640,730.52</u>	<u>7,640,730.48</u>	<u>7,378.33</u>
LIABILITIES:				
Payroll Deductions and Withholdings	4,453.89	3,345,203.23	3,345,203.19	4,453.93
Payroll Reserve	2,924.40	4,295,527.29	4,295,527.29	2,924.40
Total Liabilities	<u>\$ 7,378.29</u>	<u>7,640,730.52</u>	<u>7,640,730.48</u>	<u>7,378.33</u>

LONG-TERM DEBT

The long-term debt section consists of the schedules of obligations under capital leases.

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Mullica Township School District
Long-Term Debt
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 298,892.00		298,892.00	298,892.00	-
Total Revenues	298,892.00	-	298,892.00	298,892.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	58,893.00		58,893.00	58,892.50	0.50
Redemption of Principal	240,000.00		240,000.00	240,000.00	-
Total Regular Debt Service	298,893.00	-	298,893.00	298,892.50	0.50
Total Expenditures	298,893.00	-	298,893.00	298,892.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(0.50)	0.50
Fund Balance, July 1	2.63		2.63	2.63	-
Fund Balance, June 30	\$ 1.63	-	1.63	2.13	0.50

Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

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MULLICA TOWNSHIP SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	3,238,820	2,956,725	11,911,822	11,884,322	11,955,887	11,540,594	11,668,616	12,093,658	12,080,544	7,332,719
Restricted	401,472	504,681	946,549	1,287,225	1,913,383	2,111,168	2,145,865	2,615,701	2,590,919	2,491,497
Unrestricted	(109,547)	(274,955)	(353,343)	(97,456)	(22,783)	598,713	598,692	(2,859,632)	(2,868,778)	1,237,983
Total governmental activities net position	<u>3,530,745</u>	<u>3,186,451</u>	<u>12,505,028</u>	<u>13,074,091</u>	<u>13,846,487</u>	<u>14,250,475</u>	<u>14,413,173</u>	<u>11,849,727</u>	<u>11,802,685</u>	<u>11,062,199</u>
Business-type activities										
Invested in capital assets, net of related debt	7,343	5,173	20,517	18,430	16,490	14,550	12,610	20,836	18,195	27,271
Unrestricted	21,234	13,314	32,871	21,615	65,689	103,791	134,817	113,182	126,813	101,520
Total business-type activities net position	<u>28,577</u>	<u>18,487</u>	<u>53,388</u>	<u>40,045</u>	<u>82,179</u>	<u>118,341</u>	<u>147,427</u>	<u>134,018</u>	<u>145,008</u>	<u>128,791</u>
District-wide										
Invested in capital assets, net of related debt	3,246,163	2,961,898	11,932,339	11,902,752	11,972,377	11,555,144	11,681,226	12,114,494	12,098,739	7,359,990
Restricted	401,472	504,681	946,549	1,287,225	1,913,383	2,111,168	2,145,865	2,615,701	2,590,919	2,491,497
Unrestricted	(88,313)	(261,641)	(320,472)	(75,841)	42,906	702,504	733,509	(2,746,450)	(2,741,965)	1,339,503
Total district net position	<u>3,559,322</u>	<u>3,204,938</u>	<u>12,558,416</u>	<u>13,114,136</u>	<u>13,928,666</u>	<u>14,368,816</u>	<u>14,560,600</u>	<u>11,983,745</u>	<u>11,947,693</u>	<u>11,190,991</u>

* Net position was restated as of June 30, 2014 as required by implementation of GASB 68.

Source: CAFR Schedule A-1

MULLICA TOWNSHIP SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	2,868,430	5,423,202	5,539,180	5,245,520	5,493,451	4,105,938	4,215,376	4,365,763	4,302,489	6,555,390
Special education	1,502,560	926,657	848,172	872,379	862,677	788,283	782,732	864,139	841,711	2,771,084
Other special education	185,848	234,991	122,791	159,170	183,845	200,485	156,955	97,804	81,783	49,482
Other instruction	36,349	71,352	37,949	79,853	100,378	25,094	31,255	49,476	62,124	61,717
Support Services:										
Tuition	177,303	278,449	225,165	182,775	262,944	270,341	211,095	140,711	185,534	204,577
Student & Instruction Related Services	999,411	1,188,153	1,172,848	1,200,370	1,282,617	937,634	1,134,391	1,111,011	1,446,902	2,825,125
General Administrative Services	484,510	311,225	315,632	465,652	405,195	290,751	312,559	302,668	304,065	635,269
School Administrative Services	295,266	463,114	394,542	430,244	376,934	337,007	341,481	297,806	307,424	604,948
Central Services	-	-	-	-	-	144,438	174,820	211,251	194,640	329,477
Administrative Information Technology	-	-	-	-	-	57,928	69,406	127,801	158,442	255,084
Business Admin and Technical Services	2,392,056	165,760	283,617	207,796	285,185	-	-	-	-	-
Plant Operations and Maintenance	763,467	1,054,306	1,042,821	1,162,203	1,018,685	779,375	906,931	1,007,793	954,984	1,399,020
Pupil Transportation	433,328	433,362	456,681	393,999	424,251	376,913	485,509	443,913	459,049	459,259
Employee Benefits	-	-	-	-	-	2,720,297	2,645,389	4,008,464	3,971,124	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	223,586	205,768	189,773	136,784	172,415	97,133	78,565	70,517	56,864	143,565
Unallocated Depreciation and Amortization	772,293	772,293	430,830	389,282	512,197	437,136	434,243	429,556	434,474	-
Total governmental activities expenses	11,134,407	11,528,632	11,060,001	10,926,027	11,380,774	11,568,753	11,980,707	13,528,673	13,761,509	16,293,997
Business-type activities:										
Food Service	295,779	368,069	315,869	302,060	265,986	234,904	255,941	271,866	258,268	267,519
Child Care	71,434	-	-	-	32,642	1,871	-	-	-	-
Total business-type activities expense	367,213	368,069	315,869	302,060	298,628	236,775	255,941	271,866	258,268	267,519
Total district expenses	11,501,620	11,896,701	11,375,870	11,228,087	11,679,402	11,805,528	12,236,648	13,800,539	14,019,877	16,561,516

MULLICA TOWNSHIP SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	24,556	12,987	12,371	28,598	280,795	310,304	402,141	607,305	513,710	874,393
Business and Other Support Services	128,998	-	-	-	-	-	-	-	-	120,007
Operating Grants and Contributions	1,458,679	191,589	234,064	234,264	235,482	2,416,593	2,457,567	3,972,553	4,035,198	3,729,511
Special Item Refinance of Debt Savings	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	1,612,233	204,576	246,435	262,862	516,277	2,726,897	2,859,708	4,579,858	4,548,908	4,723,911
Business-type activities:										
Charges for services:										
Food Service	114,601	142,814	162,251	135,965	132,526	91,886	81,081	86,739	78,412	77,543
Child Care	33,464	-	-	-	38,657	-	-	-	-	-
Operating Grants and Contributions	172,706	182,630	170,941	151,184	169,579	181,050	203,946	199,294	190,846	173,758
Total business-type activities program revenues	320,771	325,444	333,192	287,149	340,762	272,936	285,027	286,033	269,258	251,302
Total district program revenues	1,933,004	530,020	579,627	550,011	857,039	2,999,833	3,144,735	4,865,891	4,818,166	4,975,213
Net (Expense)/Revenue										
Governmental activities	(9,522,174)	(11,324,056)	(10,813,566)	(10,663,165)	(10,864,497)	(8,841,856)	(9,120,999)	(8,948,815)	(9,212,701)	(11,570,086)
Business-type activities	(46,442)	(42,625)	17,323	(14,911)	42,134	36,161	29,086	14,167	10,990	(16,217)
Total district-wide net expense	(9,568,616)	(11,366,681)	(10,796,243)	(10,678,076)	(10,822,363)	(8,805,695)	(9,091,913)	(8,934,648)	(9,201,711)	(11,586,303)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	3,067,218	3,189,907	3,317,503	3,358,991	3,358,991	3,358,991	3,358,991	3,505,220	3,592,852	3,592,852
Taxes Levied for Debt Service	446,844	439,978	432,840	470,335	471,839	387,176	460,006	313,777	294,744	298,892
Unrestricted Grants and Contributions	5,984,496	7,199,420	7,389,765	7,154,401	7,554,341	5,248,584	5,246,888	5,113,967	5,026,352	6,849,172
Tuition Received	16,840	-	-	-	-	-	-	-	-	-
Investment Earnings	13,031	4,999	5,036	11,692	-	-	-	-	-	-
Special Item Refinance of Debt Savings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2,388	235,327	224,577	149,737	251,723	284,707	257,920	240,747	251,711	88,684
Transfers	(50,057)	(32,397)	-	153,430	-	-	-	27,576	-	-
Total governmental activities	9,480,760	11,037,234	11,369,721	11,298,586	11,636,894	9,279,458	9,323,805	9,201,287	9,165,659	10,829,600
Business-type activities:										
Investment Earnings	630	138	-	-	-	-	-	-	-	-
Transfers	50,057	32,397	-	1,570	-	-	-	(27,576)	-	-
Total business-type activities	50,687	32,535	-	1,570	-	-	-	(27,576)	-	-
Total district-wide	9,531,447	11,069,769	11,369,721	11,300,156	11,636,894	9,279,458	9,323,805	9,173,711	9,165,659	10,829,600
Change in Net Position										
Governmental activities	(41,414)	(286,822)	556,155	635,421	772,397	437,602	202,806	252,472	(47,042)	(740,486)
Business-type activities	4,245	(10,090)	17,323	(13,341)	42,134	36,161	29,086	(13,409)	10,990	(16,217)
Total district	(37,169)	(296,912)	573,478	622,080	814,531	473,763	231,892	239,063	(36,052)	(756,703)

Sources: CAFR Schedule A-2

MULLICA TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted				1,017,845	1,774,267	2,076,393	2,046,709	2,644,175	2,616,228	1,714,053
Committed										777,442
Assigned				208,805	78,541	34,775	71,820	42,195	42,531	-
Unassigned							19,045	(159,505)	(82,930)	(102,039)
Reserved	390,579	542,213	910,323							
Unreserved	59,666	(120,266)	(243,189)							
Total general fund	450,245	421,947	667,134	1,226,650	1,852,808	2,111,168	2,137,574	2,526,865	2,575,829	2,389,456
All Other Governmental Funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Fund	(40,605)	(17,613)	(7,207)	-	(47,324)	(41,565)	(52,898)	(46,073)	(52,045)	(39,908)
Capital Projects Fund	10,892	(19,920)	43,433	-	-	-	60,562	2,780	2,780	
Debt Service Fund	1	1	-	-	-	1	-	1	3	
Restricted:										
Capital Projects Fund										4,567,912
Debt Service Fund				60,575	60,575	-	-	-	-	2
Unassigned:										
Special Revenue Fund				(40,795)	-	-	-	-	-	
Total all other governmental funds	(29,712)	(37,532)	36,226	19,780	13,251	(41,564)	7,664	(43,292)	(49,262)	4,528,007

Source: CAFR Schedule B-1

MULLICA TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	3,514,062	3,629,885	3,750,343	3,829,326	3,830,830	3,746,167	3,818,997	3,818,997	3,887,596	3,891,744
Tuition Charges	16,840	12,987	12,371	28,598	280,795	310,304	402,141	607,305	513,710	874,393
Interest Earnings	-	3,999	5,036	11,692	142	-	-	-	-	-
Miscellaneous	15,419	37,880	21,548	38,818	26,972	92,373	103,174	87,524	98,488	4,880,978
State Sources	6,715,770	6,409,357	5,846,718	6,408,306	6,717,326	6,995,778	6,955,852	6,977,462	7,050,318	7,180,046
Federal Sources	760,675	981,652	1,777,111	980,359	1,072,497	669,398	748,603	934,367	932,301	957,026
Total Revenues	11,022,766	11,075,760	11,413,127	11,297,099	11,928,562	11,814,020	12,028,767	12,425,655	12,482,413	17,784,187
Expenditures										
Instruction										
Regular Instruction	2,868,430	4,010,116	4,003,194	3,886,047	3,956,028	4,034,854	4,139,893	4,302,677	4,235,452	3,403,596
Special education instruction	1,498,353	679,440	577,631	644,858	613,189	788,283	782,732	884,139	841,711	1,933,722
Other special instruction	185,848	138,956	122,791	159,170	183,845	200,485	156,955	97,804	81,783	25,746
Other instruction	36,349	40,172	34,504	22,595	22,105	25,094	31,255	49,476	62,124	61,717
Support Services:										
Tuition	177,303	278,449	225,165	182,775	262,944	270,341	211,095	140,711	185,534	204,577
Student & Instruction Related Services	999,411	1,228,334	1,115,402	1,153,970	1,141,921	937,634	1,134,391	1,111,011	1,446,902	1,728,232
General Admin Services	429,963	288,777	273,786	277,697	281,055	290,751	312,559	302,668	304,065	389,125
School Admin Services	295,266	309,863	312,529	325,541	327,092	337,007	341,481	297,806	307,424	348,096
Central Services	-	137,956	134,293	144,345	147,019	144,438	174,820	211,251	194,640	201,816
Administrative Information Technology	-	27,804	43,398	63,450	86,974	57,928	69,406	127,801	158,442	152,420
Plant Operations and Maintenance	763,467	781,574	797,476	827,257	759,660	737,843	775,610	930,817	877,406	822,125
Pupil Transportation	433,328	433,362	456,681	393,999	424,251	376,913	485,509	443,913	459,049	459,259
Unallocated employee benefits	2,392,056	2,113,792	2,181,305	2,183,653	2,344,057	2,731,217	2,647,617	2,831,824	2,827,722	3,134,642
Capital Outlay	33,270	87,871	213,972	89,722	99,963	89,703	175,746	185,785	264,223	329,323
Debt Service:										
Principal	395,339	402,326	409,531	437,257	510,414	484,160	513,383	269,725	230,000	240,000
Interest and Other Charges	223,586	208,346	192,523	175,695	87,840	103,824	85,680	72,488	64,742	58,893
Total expenditures	10,731,969	11,167,138	11,094,181	10,968,031	11,248,357	11,610,475	12,038,132	12,239,896	12,541,219	13,493,291
Excess (Deficiency) of revenues over (under) expenditures	290,797	(91,378)	318,946	329,068	680,205	203,545	(9,365)	185,759	(58,806)	4,290,896
Other Financing sources (uses)										
Transfers in	85,000	98,550	146,900	198,433	41,566	-	85,000	152,576	101,800	100,000
Transfers out	(50,057)	(43,289)	(146,900)	(45,002)	(102,141)	-	-	-	-	-
Cancellation of Prior Year Payables	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Receivables	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	34,943	55,261	-	153,431	(60,575)	-	85,000	152,576	101,800	100,000
Net change in fund balances	325,740	(36,117)	318,946	482,499	619,630	203,545	75,635	338,335	42,994	4,390,896
Debt service as a percentage of noncapital expenditures	5.79%	5.51%	5.53%	5.63%	5.37%	5.10%	5.05%	2.84%	2.40%	2.27%

Source: CAFR Schedule B-2

MULLICA TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Building Use and Rentals	Misc.	Total
2008	13,031	-	-	2,388	15,419
2009	3,999	12,987	5,000	17,880	39,866
2010	5,036	12,371	5,000	11,816	34,223
2011	11,692	28,598	-	33,549	73,839
2012	142	280,795	5,500	8,264	294,701
2013	-	310,304	-	91,504	401,808
2014	-	402,141	-	102,321	504,462
2015	-	607,305	71,745	15,521	694,571
2016	-	513,710	-	93,598	607,308
2017	-	874,393	-	80,031	954,424

Source: District Records

MULLICA TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Total Assessed Value										Less: Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
	Vacant Land	Residential	Farm Reg.	Q/Am	Commercial	Industrial	Apartment								
2008	15,252,900	240,512,600	6,357,400	2,250,200	15,680,800	2,471,800	515,400	283,041,100	-	940,276	283,981,376	1.256	610,775,433		
2009	14,486,300	246,193,900	6,149,100	2,257,700	15,682,700	2,473,300	515,400	287,758,400	2,291,900	947,646	286,414,146	1.287	661,088,711		
2010	13,922,600	250,731,000	6,685,600	2,224,300	15,126,200	2,656,300	515,400	291,861,400	23,364,400	968,437	269,465,437	1.307	641,594,400		
2011	13,602,500	252,398,800	6,391,200	2,303,200	14,679,800	1,674,200	515,400	291,565,100	23,906,300	832,638	268,491,438	1.312	590,760,138		
2012	13,497,400	253,402,100	6,399,400	2,368,100	14,789,500	1,153,400	515,400	292,125,300	23,932,300	835,156	269,028,156	1.280	574,323,486		
2013	13,426,100	253,830,200	6,449,000	6,449,000	14,730,900	1,153,400	515,400	286,554,000	24,023,500	801,616	273,332,116	1.302	531,344,652		
2014	13,396,900	254,291,200	6,127,900	2,389,800	14,655,200	1,153,400	515,400	292,529,800	24,172	551,952	293,057,580	1.304	490,315,785		
2015	13,383,400	254,194,600	6,189,800	2,382,600	14,618,300	1,153,400	515,400	292,437,500	-	579,672	293,017,172	1.327	507,403,762		
2016	13,400,000	253,853,300	6,326,700	2,362,600	14,470,000	1,153,400	515,400	292,081,400	-	-	292,081,400	1.332	481,426,405		
2017	12,953,800	254,576,400	6,288,000	2,286,200	14,105,200	1,153,400	515,400	291,878,400	-	-	291,878,400	1.459	482,406,463		

Source: District records, Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

MULLICA TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Mullica School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Greater Egg Harbor Regional High School District	Township of Mullica	Library/Other	Atlantic County	
2008	1.104	0.152	1.256	0.793	1.037	0.129	0.478	3.693
2009	1.139	0.148	1.287	0.812	1.057	0.115	0.566	3.837
2010	1.147	0.160	1.307	0.864	1.075	0.112	0.588	3.946
2011	1.151	0.161	1.312	0.833	1.094	0.062	0.621	3.922
2012	1.148	0.132	1.280	0.804	1.103	0.063	0.622	3.872
2013	1.145	0.157	1.302	0.800	1.134	0.062	0.791	4.089
2014	1.167	0.137	1.304	0.878	1.169	0.066	0.732	4.149
2015	1.217	0.110	1.327	0.866	1.193	0.070	0.741	4.197
2016	1.256	0.076	1.332	0.971	1.219	0.097	0.798	4.417
2017	1.376	0.083	1.459	1.064	1.249	0.096	0.826	4.694

Source: District Records and Municipal Tax Collector

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

MULLICA TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago
Unaudited

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
N.J. Carpenters App. Tr. & Ed. Fund	\$ 1,391,500.00	1	0.48%	\$ 1,391,500.00	2	0.48%
Ocean Yachts, Inc.	1,000,000.00	2	0.34%	1,982,100.00	1	0.69%
Umosella, John & Kristina	589,900.00	3	0.20%			
Mullica Woods MHC, LLC	556,000.00	4	0.19%			
Verizon NJ Bell	551,952.00	5	0.19%			
Leek, Ralph N. & Donna	513,500.00	6	0.18%			
Mazza, Gary & Carolyn	490,800.00	7	0.17%			
Garvey, Lia E.	453,100.00	8	0.16%	561,700.00	6	0.20%
Silva, Christopher & Elaine A.	450,000.00	9	0.15%			
Ottinger, Carol J.	421,500.00	10	0.14%	453,100.00	8	0.16%
S.W. Café, LLC				1,057,800.00	3	0.37%
Rudolph Chiorazzo & D.C. Wintrode				688,400.00	4	0.24%
Forks Landing, Inc.				421,500.00	9	0.15%
John J. Brunetti				610,200.00	5	0.21%
AIOP Mullica, LLC				556,000.00	7	0.19%
Blue Leopard Corp., An N.J. Corp.				412,500.00	10	0.14%
B-Q Qtr T/A Lawman Supply Co.						
Total	\$ 6,418,252.00		2.20%	\$ 8,134,800.00		2.83%
	Total Assessed Value		\$ 291,878,400.00			\$ 287,758,400.00

Source: District CAFR & Municipal Tax Assessor

MULLICA TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	3,514,062	3,514,062	100.00%	-
2009	3,629,885	3,629,885	100.00%	-
2010	3,750,343	3,750,343	100.00%	-
2011	3,829,326	3,829,326	100.00%	-
2012	3,830,830	3,830,830	100.00%	-
2013	3,746,167	3,746,167	100.00%	-
2014	3,818,997	3,818,997	100.00%	-
2015	3,818,997	3,818,997	100.00%	-
2016	3,887,596	3,887,596	100.00%	-
2017	3,592,852	3,592,852	100.00%	-

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

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

MULLICA TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2008	4,785,106	-	327,175	-	-	5,112,281	2.23%	848	
2009	4,420,551	-	289,403	-	-	4,709,954	2.00%	781	
2010	4,051,201	-	249,223	-	-	4,300,424	1.81%	711	
2011	3,495,116	-	204,714	-	-	3,699,830	1.52%	602	
2012	3,243,498	-	159,249	-	-	3,402,747	1.34%	552	
2013	2,846,938	-	112,653	-	-	2,959,591	1.14%	479	
2014	2,385,000	-	59,440	-	-	2,444,440	0.95%	396	
2015	2,170,000	-	4,715	-	-	2,174,715	0.82%	354	
2016	1,940,000	-	-	-	-	1,940,000	0.73%	318	
2017	6,494,000	-	-	-	-	6,494,000	2.46%	1,075	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

MULLICA TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2008	4,420,551	-	4,420,551	1.56%	733
2009	4,051,201	-	4,051,201	1.41%	672
2010	3,495,116	-	3,495,116	1.30%	578
2011	3,282,735	-	3,282,735	1.22%	534
2012	2,846,938	-	2,846,938	1.06%	462
2013	2,385,000	-	2,385,000	0.87%	386
2014	2,170,000	-	2,170,000	0.74%	352
2015	1,940,000	-	1,940,000	0.66%	315
2016	1,700,000	-	1,700,000	0.58%	279
2017	6,494,000	-	6,494,000	0.58%	1,075

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

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

b Population data can be found in Exhibit NJ J-14.

MULLICA TOWNSHIP SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2017
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Mullica	\$ 1,717,125.00	100.00%	1,717,125.00
Other debt			
Regional High School District	53,801,000.00	8.00%	4,304,080.00
Atlantic County as of December 31, 2016	152,426,901.00	6.302%	9,605,670.54
Subtotal, overlapping debt			15,626,875.54
Mullica Township School District Direct Debt			<u>6,494,000.00</u>
Total direct and overlapping debt			<u>\$ 22,120,875.54</u>

Sources: Mullica Township Finance Officer, Atlantic County Finance Office and Authorities

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

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

MULLICA TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	15,724,443	N/A	17,572,771	17,945,277	11,611,579	15,871,185	14,916,239	14,701,925	14,634,451	14,634,451
Total net debt applicable to limit	4,785,106	4,708,187	4,051,201	3,495,116	3,282,735	3,282,735	2,385,000	2,170,000	1,940,000	6,494,000
Legal debt margin	10,939,337	-	13,521,570	14,450,161	8,328,844	12,588,450	12,531,239	12,531,925	12,694,451	8,140,451
Total net debt applicable to the limit as a percentage of debt limit	30.43%	N/A	23.05%	19.48%	28.27%	20.68%	15.99%	14.76%	13.26%	44.37%

Equalized valuation basis	
2016	\$ 481,426,405
2015	506,824,090
2014	475,194,607
[A]	1,463,445,102

Average equalized valuation of taxable property	
[A/3]	487,815,034

Debt limit (3 % of average equalization value)	
[B]	14,634,451
Net bonded school debt	
[C]	6,494,000
Legal debt margin	
[B-C]	\$ 8,140,451

Source: Abstract of Ratables and District Records CAFR Schedule J-6

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MULLICA TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2007	6,028	229,727.08	38,110	5.70%
2008	6,028	235,730.97	39,106	5.70%
2009	6,052	236,953.96	39,153	11.00%
2010	6,144	242,964.48	39,545	12.70%
2011	6,162	254,724.76	41,338	9.30%
2012	6,177	258,983.08	41,927	13.00%
2013	6,167	256,911.05	41,659	13.00%
2014	6,149	266,473.06	43,336	11.30%
2015	6,098	266,452.11	43,695	11.70%
2016	6,041	263,961.50	43,695	9.20%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis, July 1, 2012

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

MULLICA TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Ten Years Ago
Unaudited

	2017		2008			
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Information Not Available		1	-	Information Not Available		0.00%
		2	-			0.00%
		3	-			0.00%
		4	-			0.00%
		5	-			0.00%
		6	-			0.00%
		7	-			0.00%
		8	-			0.00%
		9	-			0.00%
		10	-			0.00%
	-		-	-		-

GASB requires this table to present the principal employers for the current year and ten years ago, however the information was not available.

MULLICA TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Nine Fiscal Years
Unaudited

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	51	57	56	49	47	50	49	49	49	51
Special education	9	13	13	11	14	12	12	13	13	12
Other special education	9	8	7	8	7	7	13	13	12	17
Other instruction	9	9	7	2	2	2	2	2	2	2
Support Services:										
Student & instruction related services	15	13	13	13	15	17	17	17	17	10
General administrative services	6	3	3	3	6	5	4	4	4	2
School administrative services	7	5	5	4	4	5	4	4	4	5
Business administrative services	-	2	2	2	2	2	2	2	2	4
Plant operations and maintenance	9	9	9	8	8	9	9	9	9	8
Food Service	6	6	5	5	1	1	1	1	1	-
Total	121	125	120	105	106	110	113	114	113	111

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years.

Source: District Personnel Records

MULLICA TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2008	723	7,868,101	10,883	-2.41%	77	1:11	1:11	718	682	-2.71%	94.99%
2009	715	8,651,803	12,100	11.19%	72	1:11	1:11	712	675	-0.84%	94.80%
2010	705	8,071,663	11,449	-5.38%	66	1:11	1:11	712	672	0.00%	94.38%
2011	724	8,346,460	11,528	0.69%	62	1:12	1:12	712	680	0.00%	95.51%
2012	721	8,433,753	11,697	1.47%	65	1:12	1:12	710	676	-0.28%	95.21%
2013	775	11,022,492	14,223	21.59%	62	1:13	1:13	749	707	5.49%	94.39%
2014	783	11,424,390	14,591	2.59%	64	1:13	1:13	695	662	-7.21%	95.25%
2015	770	11,788,874	15,310	4.93%	57	1:16	1:16	764	726	9.93%	95.03%
2016	752	12,246,477	16,285	6.37%	62	1:12	1:12	740	709	-3.14%	95.81%
2017	739	12,865,075	17,409	6.90%	63	1:12	1:12	737	703	-0.43%	95.37%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

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

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

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

MULLICA TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>District Buildings</u>										
<u>Early Learning Center</u>										
Hilda Frame School (1900)	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328
Square Feet	60	60	60	60	60	60	60	60	60	60
Capacity (students)	57	53	52	-	-	-	-	-	-	-
Enrollment PK										
<u>Elementary (1955, 1981, 1995, 2003)</u>										
Mullica Township Elementary School										
Square Feet	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776
Capacity (students)	562	562	562	562	562	562	562	562	562	562
Enrollment K-4	348	364	363	415	415	436	442	442	442	
<u>Middle School (1965, 1972, 1981, 2003)</u>										
Mullica Township Middle School										
Square Feet	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment 5-8	305	293	290	285	306	339	341	328	310	
<u>Other</u>										
Gertrude Lauer School (1910)										
Square Feet	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2017										
Early Learning Center - 1										
Elementary - 1										
Middle School - 1										
Other - 1										

Source: District records, ASSA

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

MULLICA TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-XXX

School Facilities	Project # (s)	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Elementary School	N/A	\$ 83,304	99,966	200,500	74,766	130,398	50,456	47,596	35,755	23,942	17,020
Hilda Frame School	N/A	-	-	788	7,693	3,458	1,309	1,200	3,925	3,234	2,974
Middle School	N/A	13,462	13,424	12,119	6,793	21,956	72,155	55,876	59,841	56,119	36,167
Gertrude Lauer School	N/A	150	950	288	288	288	288	500	500	500	500
Total School Facilities		<u>96,916</u>	<u>114,340</u>	<u>213,695</u>	<u>89,540</u>	<u>156,100</u>	<u>124,208</u>	<u>105,172</u>	<u>100,021</u>	<u>83,795</u>	<u>56,661</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 96,916</u>	<u>114,340</u>	<u>213,695</u>	<u>89,540</u>	<u>156,100</u>	<u>124,208</u>	<u>105,172</u>	<u>100,021</u>	<u>83,795</u>	<u>56,661</u>

MULLICA TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2017

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Atlantic & Cape May Counties		
School Business Officials Joint Insurance Fund (ACCASBOJIF)		
Property, Inland Marine and Automobile Physical Damages		
Blanket Loss Limit of Liability	\$ 150,000,000.00	500.00
ACCASBOJIF Per Occurrence Retention	200,000.00	
Perils Included	All Risk	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limit of Liability	125,000.00	1,000.00
JIF Self-Insured Retention		
Crime		
Limit of Liability	500,000.00	500.00
JIF Self-Insured Retention	None	
General Liability and Automobile Liability		
Limit of Liability	10,000,000.00	None
JIF Self-Insured Retention	150,000.00	
Workers' Compensation		
Limit of Liability	Statutory	None
JIF Self-Insured Retention	250,000.00	
Educator's Legal Liability		
Limit of Liability	10,000,000.00	None
JIF Self-Insured Retention	100,000.00	
Pollution Legal Liability		
Limit of Liability	3,000,000.00	25,000.00
JIF Self-Insured Retention	None	

Source: District Records

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Mullica Township School District
County of Atlantic, New Jersey

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, the financial statements of the governmental activities, and each major of the Mullica Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mullica Township School District's basic 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 basic 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 prescribed by the Division of Finance, Department of Education, and State of New Jersey.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

November 30, 2017



Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Mullica Township School District
 County of Atlantic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Mullica Township 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 Mullica Township School District's major federal and state programs for the year ended June 30, 2017. The Mullica Township 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 Mullica Township 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 OMB Uniform Guidance, and New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Mullica Township 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 federal and state program. However, our audit does not provide a legal determination of the Mullica Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Mullica Township 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 federal and state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Mullica Township 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 Mullica Township 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mullica Township School District's internal control over compliance.

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

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

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

November 30, 2017

Mullica Township School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2017

Federal Grant/Pass-Through Grant/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2016	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures		(M)S(M)O Passed Through to Sub-Recipients	Adjustments	Repayment Year's Balances	Balance at June 30, 2017	
									Pass Through	Direct				(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Food Distribution Program	10.565	1717(NJ)041099	N/A	7/1/16 - 6/30/17	16,394 \$		16,394.19	(16,394.19)							
National School Lunch Program	10.555	1616(NJ)041099	N/A	7/1/15 - 6/30/16	453.00		89,687.18	(453.00)							
National School Lunch Program	10.555	1717(NJ)041099	N/A	7/1/16 - 6/30/17	133,038		24,299.00	(133,037.82)							
National School Lunch Program	10.555	1616(NJ)041099	N/A	7/1/15 - 6/30/16	(24,299.00)		1,167.85	(20,786.50)							(43,350.64)
School Breakfast Program	10.553	1616(NJ)041099	N/A	7/1/15 - 6/30/16	(3,806.00)		3,806.00								(3,779.77)
Total U.S. Department of Agriculture					(27,652.00)		152,594.90	(170,671.51)							(45,728.61)
U.S. Department of Human Services															
Passed-through State Department of Education:															
General Fund:	93.778	1708JEMAP	N/A	7/1/16 - 6/30/17	32,646	(10,506.00)	32,646.02	(32,646.02)							
Medical Assistance Program	93.778	1608JEMAP	N/A	7/1/15 - 6/30/16	33,753	(10,306.00)	42,952.02	(32,646.02)							
Total General Fund															
Passed-through State Department of Education:															
Special Revenue Fund:															
No Child Left Behind	84.010A	S000A16030		7/1/16-6/30/17	219,999		85,562.00	(215,437.70)							(23,874.70)
Title I, Part A, Carryover	84.010A	S000A15020	NCLB488015	7/1/15-6/30/16	202,967	(92,567.00)	39,567.00	(16,196.53)							(14,725.53)
Title I, Part A, Teachers & Principals Training, Carryover	84.367	S367A16029	NCLB488015	7/1/16-6/30/17	40,435	(2,901.70)	1,471.00	(308,442.00)							(306,971.00)
Title I, Part A, Teachers & Principals Training, Carryover	84.367	S367A15029	NCLB488015	7/1/15-6/30/16	50,000	(2,901.70)	29,017.00	(14,275.00)							(102,604.94)
I.D.E.A. Part B- Basic	84.027	I027A160100	IDEA348016	7/1/16-6/30/17	208,442	(96,835.00)	105,837.96	(208,442.00)							
I.D.E.A. Part B- Basic, Carryover	84.027	I027A150100	IDEA348016	7/1/16-6/30/17	222,975	(96,835.00)	111,110.06	(14,275.00)							
I.D.E.A. Part B- Preschool	84.173A	I173A160114	IDEA348016	7/1/16-6/30/17	4,626	(2,974.00)	2,974.00								
I.D.E.A. Part B- Preschool, Carryover	84.173A	I173A150114	IDEA348016	7/1/15-6/30/16	4,626	(2,974.00)									
21st Century Grant Comm. Learning Centers	84.287C	S287C160030		9/1/16-8/31/17	476,600	(238,619.00)	449,947.88	(495,242.50)							(45,294.62)
21st Century Grant Comm. Learning Centers	84.287C	S287C160030		9/1/16-8/31/17	476,600	(238,619.00)	22,639.00	(24,093.44)							(1,454.44)
21st Century Grant Comm. Learning Centers	84.287C	S287C150030		9/1/15-8/31/16	33,260	(12,374.66)	12,374.66								
21st Century Grant Comm. Learning Supplemental	84.287C	S287C150030		9/1/15-8/31/16	33,260	(12,374.66)	12,374.66								
Total Special Revenue Fund						(419,236.00)	1,099,059.00	(973,687.23)							(293,954.23)
Total Federal Financial Awards					\$ (457,284.00)		1,294,605.92	(1,144,538.74)	(32,646.02)						(339,682.84)

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

Mullica Township School District
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO		
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	(Accounts Receivable)					Deferred Revenue/ Interfund	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
State Aid-Public Cluster:															
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	4,089,951	-	-	-	4,089,951.00	(4,089,951.00)	-	-	-	390,462.00	4,089,951.00		
Categorical Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	368,568	-	-	-	368,568.00	(368,568.00)	-	-	-	35,187.00	368,568.00		
Categorical Security Aid	17-495-034-5120-084	7/1/16-6/30/17	147,565	-	-	-	147,565.00	(147,565.00)	-	-	-	14,088.00	147,565.00		
Admission Aid	17-495-034-5120-085	7/1/16-6/30/17	534,788	-	-	-	534,788.00	(534,788.00)	-	-	-	51,056.00	534,788.00		
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	11,546	-	-	-	11,546.00	(11,546.00)	-	-	-	1,102.00	11,546.00		
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	6,170	-	-	-	6,170.00	(6,170.00)	-	-	-	589.00	6,170.00		
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	6,170	-	-	-	6,170.00	(6,170.00)	-	-	-	589.00	6,170.00		
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	6,720	-	-	-	6,720.00	(6,720.00)	-	-	-	642.00	6,720.00		
Total State-Aid Public Cluster				-	-	-	5,171,478.00	(5,171,478.00)	-	-	-	493,715.00	5,171,478.00		
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	236,446	-	-	-	236,446.00	(236,446.00)	-	-	-	22,573.00	236,446.00		
Extraordinary Aid	17-100-034-5120-473	7/1/16-6/30/17	52,010	(14,407.00)	-	-	-	(52,010.00)	(52,010.00)	-	-	-	52,010.00		
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	14,407	-	-	-	14,407.00	-	-	-	-	-	14,407.00		
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	5,568	(6,264.00)	-	-	-	(5,568.00)	(5,568.00)	-	-	-	5,568.00		
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	6,264	-	-	-	6,264.00	-	-	-	-	-	6,264.00		
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	383,733	(17,888.00)	-	-	365,311.92	(383,732.97)	(18,421.05)	-	-	-	383,732.97		
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	365,389	-	-	-	17,888.00	-	-	-	-	-	365,389.00		
Total General Fund				(38,529.00)	-	-	5,811,764.92	(5,849,234.97)	(75,999.05)	-	-	-	516,288.00	6,235,294.97	
Special Revenue Fund:															
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	401,004	58,970.00	-	-	401,004.00	(351,383.32)	(6.00)	108,584.68	-	39,988.00	401,004.00		
Preschool Education Aid	16-495-034-5120-086	7/1/15-6/30/16	460,728	-	-	-	-	(351,383.32)	(6.00)	-	-	-	401,758.00		
Total Special Revenue Fund				58,970.00	-	-	401,004.00	(351,383.32)	(6.00)	108,584.68	-	39,988.00	802,762.00		
Capital Projects Fund:															
ROD Grant	3480-020-14-1001	7/1/13-6/30/16	60,365	(57,911.00)	-	-	-	-	-	(57,911.00)	-	-	60,365.00		
Total Capital Projects Fund				(57,911.00)	-	-	-	-	-	(57,911.00)	-	-	60,365.00		
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/16-6/30/17	3,087	(551.00)	-	-	2,175.48	(3,086.98)	-	(911.50)	-	-	3,086.98		
National School Lunch Program (State Share)	16-100-010-3350-023	7/1/15-6/30/16	3,316	-	-	-	551.00	-	-	-	-	-	3,316.00		
Total Enterprise Fund				(551.00)	-	-	2,726.48	(3,086.98)	-	(911.50)	-	-	6,402.98		
Total State Financial Assistance				(38,021.00)	-	-	6,215,495.40	(6,203,705.27)	(6.00)	(134,821.55)	-	556,196.00	7,104,824.95		

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

Mullica Township School District
Notes to the Schedules of Financial Assistance
June 30, 2017

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting 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 included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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.

See the following schedules and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

Mullica Township School District
Notes to the Schedules of Financial Assistance
June 30, 2017

	<u>General fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:					
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	5,849,234.97	351,383.32	-	3,086.98	6,203,705.27
Difference – budget to "GAAP"					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.					-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	521,076.00	52,045.00			573,121.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(516,288.00)	(39,908.00)			(556,196.00)
On behalf payments recognized for GAAP purposes but not included in the Schedule of Expenditures of State Financial Assistance	962,503.00				962,503.00
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>6,816,525.97</u>	<u>363,520.32</u>	<u>-</u>	<u>3,086.98</u>	<u>7,183,133.27</u>

Mullica Township School District
Notes to the Schedules of Financial Assistance
June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 32,646.02	973,687.23	170,671.51	1,177,004.76
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(49,307.68)		(49,307.68)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 32,646.02</u>	<u>924,379.55</u>	<u>170,671.51</u>	<u>1,127,697.08</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2017. 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, 2017.

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

K-6

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued		<u>Unmodified</u>		
Internal control over financial reporting:				
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____		no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____		no
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____		no

Federal Awards

Internal Control over major programs:				
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____		no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____		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 the Uniform Guidance?		_____ yes	_____ <u>X</u> _____	no
--	--	-----------	----------------------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.027 _____	_____ IDEA Part B _____
_____ 84.173 _____	_____ IDEA Preschool _____
_____ 84.010 _____	_____ Title I _____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee?		_____ <u>X</u> _____	yes	_____ no
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State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Cluster
<u>17-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-101</u>	<u>Prof Learning Comm Aid</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-096</u>	<u>Under Adequacy Aid</u>

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

\$ 750,000

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

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2017**

Part 2 – Schedule of Financial Statement Findings

None

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

None

**MULLICA TOWNSHIP SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING JUNE 30, 2017**

Status of Prior Year Findings

Finding 2016-001:

The District should maintain a proper general ledger for all funds and ensure all non-cash journal entries are accrued.

This finding was cleared during 2017.