

12/18/17

SCHOOL DISTRICT
OF
RUNNEMEDE

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Runnemedede Board of Education

Runnemedede, New Jersey

For the Fiscal Year Ended June 30, 2017

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For the Fiscal Year Ended June 30, 2017

Prepared by

Runnemede Board of Education

Finance Department

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OF THE RUNNEMEDE SCHOOL DISTRICT
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INTRODUCTORY SECTION

Runnemede Board of Education

Dr. Sean McCarron
Business Administrator

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

October 31, 2017

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

Dear Board Members:

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

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

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular OMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2016-2017 fiscal year with a June enrollment of 850 students. This represents one (1) less student than 2015-16. The following table details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	850	(.12%)
2015-16	851	(2.18)%
2014-15	870	3.57%
2013-14	840	(1.52)%
2012-13	853	(1.04)%
2011-12	862	1.00%
2010-11	851	(0.12)%
2009-10	852	0.95%
2008-09	844	5.10%
2007-08	803	2.49%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading continues to be implemented in all grade levels, providing an opportunity to differentiate instruction and meet the needs of individual learners. We have aligned our mathematics program to our sending high school district, providing our students with as many opportunities as possible. In addition we continue to implement our new mathematics curriculum in Grades K-8. Technology and Literacy are two areas we continue to provide job-embedded professional development. On-going professional development has been taking place on-site by having consultants push into classrooms to work with teachers and model lessons.

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

Technology continues to advance with the continuous upgrade of computer labs and increasing our 1:1 initiative to grades 2-8. All classrooms are equipped with Interactive White Boards, and we are continually budgeting to upgrade this equipment. The web-based student information management system, Real-Time, is used again to include communication to families, lesson-planning module and our staff evaluations.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 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. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

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

8. RISK MANAGEMENT:

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

9. OTHER INFORMATION:

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

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

10. ACKNOWLEDGMENTS:

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

Respectfully submitted,

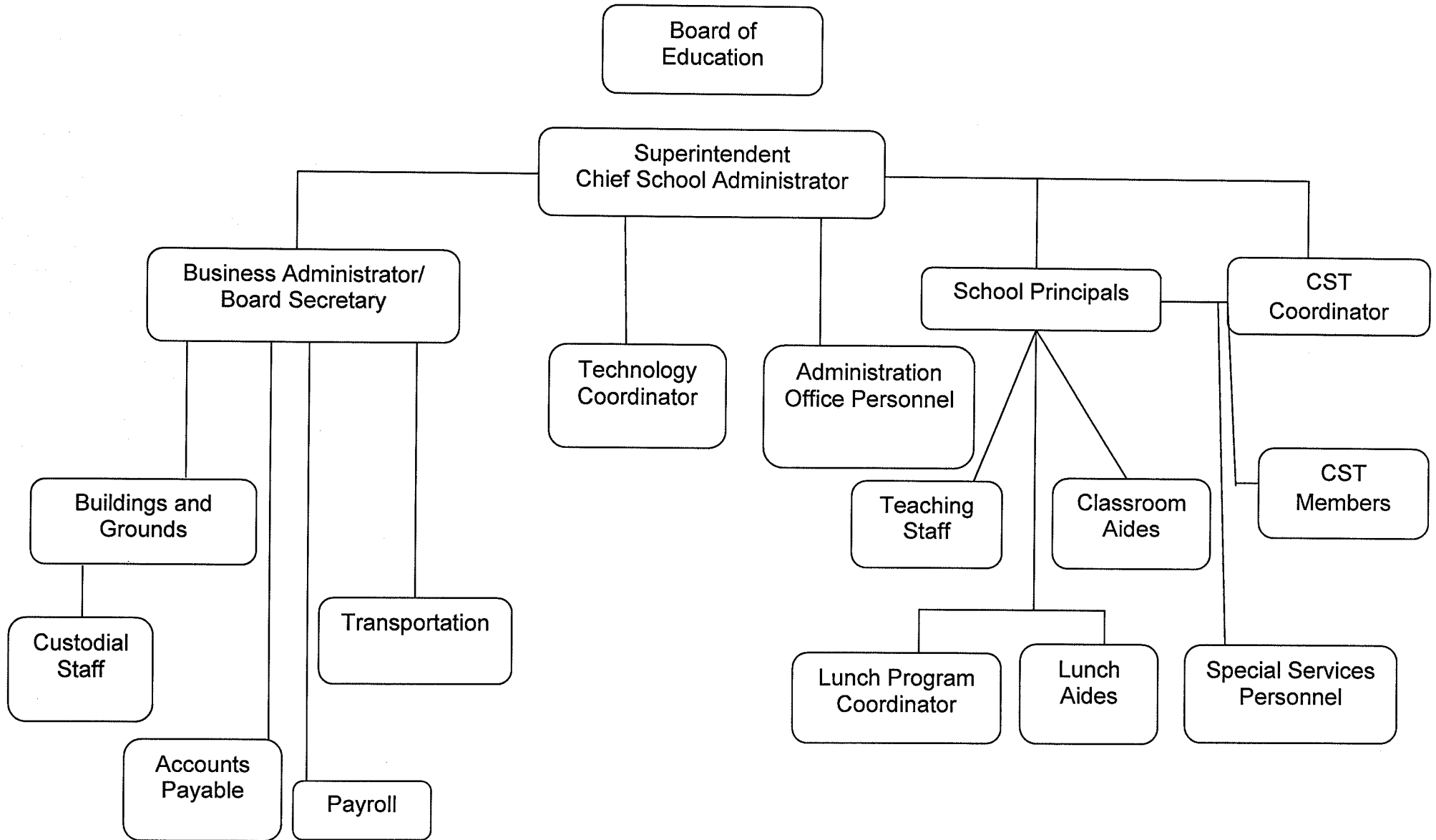
Mark Iannucci

Mark Iannucci, Superintendent

Dr. Sean McCarron

Dr. Sean McCarron, School Business
Administrator

RUNNEMEDE BOARD OF EDUCATION



RUNNEMEDE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2018
Charles Buchheim, Vice President	2018
Angel Beebe	2017
Joe Impagliazzo (To: June 27, 2017)	
Dennis Leggoe (From: June 27, 2017)	2017
Myssee Anderson	2017
Patricia Adair	2018
Naomi Davidson	2019
Amy Farry	2019
Maria Panzarella	2019
<u>OTHER OFFICIALS</u>	<u>BOND AMOUNT</u>
Mark Iannucci, Superintendent	
Dr. Sean R. McCarron, Board Secretary / Business Administrator	\$ 50,000
Rebecca Giordano, District Accountant	
Christie Ehret, Treasurer	200,000
Derlys Gutierrez, Solicitor	

RUNNEMEDE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
1400 F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

PNC Bank
Glendora, NJ 08029

INSURANCE AGENCY

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

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Runnemede School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2017 on our consideration of the Runnemede Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Runnemede School District's internal control over financial reporting over compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant

No. 915

October 31, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

RUNNEMEDE SCHOOL DISTRICT
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2017. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2017 by \$6,096,505. This amount represents Net Position, which decreased by \$173,412 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$5,859,500.
- ❖ General revenues, net of adjustments, accounted for \$14,993,048 in revenue or 87.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$2,060,020 or 13.7% of \$17,053,081 in total revenues.
- ❖ The School District had \$17,226,493 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$2,060,020, as mentioned above in arriving at the \$15,273,879 in net governmental activity expenses of the District. General revenues comprising property taxes of \$7,035,809, federal and state aid of \$7,919,240 and other miscellaneous revenues and adjustments of \$38,012 were adequate to provide for the governmental programs maintained by the school.
- ❖ The General Fund had \$13,611,616 in revenues, \$13,268,270 in expenditures and \$69,688 in other financing uses. The General Fund's balance decreased by \$273,658 from 2016. This decrease was anticipated by the Board of Education and was attributed to appropriating matching funds for the capital projects approved with state aid.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Governmental Funds (Continued)

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

Enterprise Fund

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

The School District as a Whole

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

Table 1 provides a comparative summary of the School District's net position for the years ended in 2017 and 2016.

Table 1
Net Position

	2017	2016
Assets		
Current and Other Assets	\$ 4,027,944	\$ 3,619,796
Capital Assets, Net	6,310,090	6,198,435
Total Assets	10,338,034	9,818,231
Deferred Pension Outflow	1,705,504	972,129
Liabilities		
Long-term Liabilities	478,695	401,365
Other Liabilities	5,341,794	4,055,402
Total Liabilities	5,820,489	4,456,767
Deferred Pension Inflows	126,544	63,676
Net Position		
Invested in Capital Assets, Net of Debt	6,310,090	6,198,435
Restricted	3,619,074	3,553,871
Unrestricted	(3,832,659)	(3,482,389)
Total Net Position	\$ 6,096,505	\$ 6,269,917

Table 2 shows the changes in net position from fiscal year's 2017 and 2016.

Table 2
Changes in Net Position

	2017	2016
Revenues		
Programs Revenues		
Charges for Services	\$ 333,380	\$ 118,205
Operating Grants and Contributions	1,726,640	1,679,387
General Revenues		
Property Taxes	7,035,809	7,089,901
Grants and Entitlements	7,919,240	8,578,851
Other	38,012	210,528
Total Revenues	17,053,081	17,676,872
Program Expenses		
Instruction	5,457,626	5,313,832
Support Services		
Tuition	537,393	587,144
Pupils and Instructional Staff	1,813,863	1,563,987
General Administration, School		
Administration, Business	999,720	993,999
Operations and Maintenance of Facilities	981,652	862,926
Pupil Transportation	265,451	334,143
Unallocated Employee Benefits	6,625,523	5,516,621
Enterprise Funds	387,294	235,577
Other	157,971	157,380
Total Expenses	17,226,493	15,565,609
Increase in Net Position	\$ (173,412)	\$ 2,111,263

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$14,993,048 in total governmental revenues for the fiscal year ended June 30, 2017, property taxes made up 46.9% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 52.8% and other revenues including adjustments made up 2.5%. The total cost of all program and services was \$17,226,493 of which the net amount spent on governmental activities was \$15,273,879. Of this amount, instruction comprised 34.8%.

Business-Type Activities

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

- ❖ Food service revenue exceeded expenses by \$30,411 and Before and After Care revenues exceeded expenses by \$77,008.
- ❖ A subsidy from the General Fund to the food service fund was not required during the current year, as the food service operation completed the current school year with a positive change in net position. The District, therefore, identified the means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$112,304 of revenue. This represents the amount paid by patrons for daily food services for, representing 37.6% of the \$299,032 in total revenue in the Food Service Fund. The Before and After Care program had \$195,681 in charges to patrons.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$186,728 which represents 62.4% of the revenue.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2017</u>	<u>Net Cost of Service 2017</u>	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Instruction	\$ 5,457,626	\$ 5,014,842	\$ 5,313,832	\$ 4,924,947
Support Services				
Tuition	537,393	537,393	587,144	587,144
Pupils and Instructional Staff	1,813,863	1,568,504	1,563,987	1,328,433
General Administration, School				
Administration, Business	999,720	999,720	993,999	993,999
Operation and Maintenance of Facilities	981,652	981,652	862,926	862,926
Pupil Transportation	265,451	265,451	334,143	334,143
Employee Benefits	6,625,523	5,748,346	5,516,621	4,651,264
Other	157,971	157,971	157,380	157,380
Total Expenses	\$ 16,839,199	\$ 15,273,879	\$ 15,330,032	\$ 13,840,236

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

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$14,274,364 and expenditures of \$14,147,019. The net change in fund balance for the year was \$50,290, which included a transfer to charter school of \$69,688 and a cancellation of state aid receivable of \$7,367. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2016</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 7,150,863	50.1%	\$ 24,464	0.3%
State Sources	6,557,760	45.9%	(1,508,378)	-18.7%
Federal Sources	565,741	4.0%	53,028	10.3%
Total	\$ 14,274,364	100.0%	\$ (1,430,886)	-9.1%

The increase in Local Sources is attributed to increase in the local tax levy of \$137,957 offset by a decrease in tuition income of \$11,883, transportation of \$14,075, miscellaneous revenue of \$87,513 and interest earned of \$22.

The decrease in State Sources is attributed a decrease in capital projects fund of \$1,748,867, to offset by increases in general fund state aid of \$238,296 and grants for special projects of \$2,193.

The increase in Federal Sources is attributed to increases in various grant awards of \$53,028.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2017.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2016</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 5,049,355	36.7%	\$ (247,691)	-4.7%
Undistributed Expenditures	8,384,565	61.0%	435,052	8.1%
Capital Outlay	313,099	2.3%	(2,602,518)	-831.2%
Total	<u>\$ 13,747,019</u>	<u>100.0%</u>	<u>\$ (2,415,157)</u>	<u>-21.7%</u>

The decrease in Current – Instruction is attributed to decreases in regular instruction of \$48,621 offset by increases in special education instruction of \$11,755 and other instruction of \$189,175.

The increase in Current – Undistributed Expenditures is attributed to increases in student related services of \$233,496, administrative costs of \$17,237, plant operations and maintenance of \$94,371 and employee benefits of \$208,391, offset by decreases in district tuition of \$49,751 and transportation of \$68,692.

The decrease of in capital outlay of \$2,684,003 includes expenditures in the Capital Projects Fund of \$2,684,003 for improvements to various school properties, offset by to increases in equipment purchases of \$81,485.

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

General Fund Budgeting Highlights

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

During the course of the fiscal year 2017, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

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

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

While the District’s final budget for the general fund normally plans to anticipate revenues, including surplus appropriated that would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$287,978. This result included a transfer to a Charter School of \$69,688 and therefore, indicates a favorable result.

- ❖ Actual revenues were \$128,211 higher than expected, (excluding On-Behalf pension and social security state aid of \$1,456,603), due primarily to local source revenue of \$61,793 and other categorical aid of \$66,418.
- ❖ The actual expenditures were \$1,004,254 less than expected, (excluding On-Behalf pension and social security state aid of \$1,456,603), due to positive variances in Instructional expenses of \$191,659, Tuition costs of \$56,866, Pupil and staff support costs of \$42,985, Administrative costs of \$200,900, Plant and Maintenance costs of \$165,938, Transportation costs of \$84,181 and Employee Benefits of \$261,725.

Capital Assets

At the end of the fiscal year 2017, the School District had \$6,310,090 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

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

	<u>2017</u>	<u>2016</u>
Land	\$ 29,083	\$ 29,083
Work in Progress	3,116,005	2,900,004
Site Improvements	20,150	30,150
Building and Improvements	2,773,758	2,905,062
Equipment	371,094	334,136
Totals	<u>\$ 6,310,090</u>	<u>\$ 6,198,435</u>

Overall capital assets increased by \$111,655 from fiscal year 2016 to fiscal year 2017. Increases were \$216,001 in work in Progress and \$99,167 in other Equipment, offset by depreciation expense of \$203,513.

Debt Administration

At June 30, 2017, the School District had \$478,695 as outstanding debt, all of which is for compensated absences.

At June 30, 2017, the School District's overall legal debt margin was \$15,210,902, all of which constitutes unvoted debt permitted by statute.

For the Future

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the Money it receives. If you have questions about this report or need additional information contact, Dr. Sean McCarron, Business Administrator/Board Secretary at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

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

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,127,060	\$ 216,651	\$ 3,343,711
Receivables, Net	668,198	15,058	683,256
Interfunds	5		5
Restricted Assets:			
Inventory		972	972
Capital Assets, Net (Note 5):	6,302,315	7,775	6,310,090
	<hr/>	<hr/>	<hr/>
Total Assets	10,097,578	240,456	10,338,034
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	1,705,504		1,705,504
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	251,585		251,585
Other Liabilities	68,672		68,672
Unearned Revenue	22,798	3,451	26,249
Net Pension Liability	4,995,288		4,995,288
Non-current Liabilities (Note 6):			
Due Within One Year	5,479		5,479
Due Beyond One Year	473,216		473,216
	<hr/>	<hr/>	<hr/>
Total Liabilities	5,817,038	3,451	5,820,489
 DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	126,544		126,544
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	6,302,315	7,775	6,310,090
Restricted for:			
Capital Reserve	1,677,223		1,677,223
Maintenance Reserve	837,149		837,149
Excess Surplus	940,893		940,893
Other Purposes	163,809		163,809
Unrestricted (Deficit)	(4,061,889)	229,230	(3,832,659)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 5,859,500	\$ 237,005	\$ 6,096,505
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,665,945		\$ 442,784	\$ (3,223,161)		\$ (3,223,161)
Special Education	1,355,424			(1,355,424)		(1,355,424)
Other Instruction	436,257			(436,257)		(436,257)
Support Services:						
Tuition	537,393			(537,393)		(537,393)
Student & Instruction Related Services	1,813,863	25,395	219,964	(1,568,504)		(1,568,504)
General and Business Administrative Service	385,704			(385,704)		(385,704)
School Administrative Services	371,070			(371,070)		(371,070)
Central Services	219,747			(219,747)		(219,747)
Admin Info Tech	23,199			(23,199)		(23,199)
Plant Operations and Maintenance	981,652			(981,652)		(981,652)
Pupil Transportation	265,451			(265,451)		(265,451)
Employee Benefits	6,625,523		877,177	(5,748,346)		(5,748,346)
Unallocated Depreciation	157,971			(157,971)		(157,971)
Total Governmental Activities	16,839,199	25,395	1,539,925	(15,273,879)		(15,273,879)
Business-type Activities:						
Food Service	268,621	112,304	186,715		30,398	30,398
Before and After Care	118,673	195,681			77,008	77,008
Total Business-type Activities	387,294	307,985	186,715		107,406	107,406
Total Primary Government	\$ 17,226,493	\$ 333,380	\$ 1,726,640	\$ (15,273,879)	\$ 107,406	\$ (15,166,473)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 7,035,809		\$ 7,035,809
Federal, State and Local Aid Not Restricted				7,919,240		7,919,240
Tuition and Transportation Fees from other LEA'S				37,786		37,786
Investment Earnings				1,072	13	1,085
Miscellaneous Income				76,196		76,196
Cancellation of State Aid Receivable				(7,367)		(7,367)
Transfers - To Charter School				(69,688)		(69,688)
Total General Revenues, Special Items, Extraordinary Items and Transfers				14,993,048	13	14,993,061
Change in Net Position				(280,831)	107,419	(173,412)
Net Position—Beginning				6,140,331	129,586	6,269,917
Net Position—Ending				\$ 5,859,500	\$ 237,005	\$ 6,096,505

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

**RUNNEMEDE BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Projects</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 949,552	\$ 118,748	\$ 480,954	\$ 1,549,254
Cash and Cash Equivalents - Capital Reserve	877,806			877,806
Cash and Cash Equivalents -Maintenance Res	700,000			700,000
State Aid Receivable	139,336		467,081	606,417
Federal Aid Receivable		56,606		56,606
Interfund Receivable	716,504			716,504
Other Receivables	5,175			5,175
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 3,388,373	\$ 175,354	\$ 948,035	\$ 4,511,762
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 35,584	\$	\$ 216,001	\$ 251,585
Interfund Payable		103,369	613,130	716,499
Due to State of New Jersey		68,672		68,672
Unearned Revenue	19,485	3,313		22,798
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	55,069	175,354	829,131	1,059,554
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Restricted For:				
Excess Surplus	137,433			137,433
Excess Surplus - Designated for				
Subsequent Year's Expenditures	803,460			803,460
Maintenance Reserve Account	692,149			692,149
Maintenance Reserve Designated for				
Subsequent Year's Expenditures	145,000			145,000
Capital Reserve Account	1,322,223			1,322,223
Capital Reserve Designated for				
Subsequent Year's Expenditures	355,000			355,000
Assigned To:				
Year-End Encumbrances	623			623
Designated for Subsequent Year's Expendit	44,282			44,282
Committed			118,904	118,904
Unassigned, Reported In:				
General Fund Balance (Deficit)	(166,866)			(166,866)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	3,333,304		118,904	3,452,208
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 3,388,373	\$ 175,354	\$ 948,035	
	<hr/>	<hr/>	<hr/>	

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 \$10,087,591 and the accumulated depreciation is \$3,785,276 (See Note 5)	6,302,315
Deferred Outflow of Resources - Deferred Pension Contribution.	1,705,504
Deferred Inflows of Resources - Pension Actuarial Gains.	(126,544)
Long Term Net Pension Liability	(4,995,288)
Long-term liabilities, including bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(478,695)
	<hr/>
Net Position of Governmental Activities	\$ 5,859,500
	<hr/>

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources:				
Local Tax Levy	\$ 7,035,809	\$	\$	\$ 7,035,809
Tuition from Individuals	41,363			41,363
Tuition from Other LEAS	11,306			11,306
Transportation Fees from Other LEAS	26,480			26,480
Interest Earned on Investments	571			571
Interest Earned on Capital Reserve Funds	279			279
Interest Earned on Maintenance Reserve Funds	222			222
Miscellaneous	30,322	4,511		34,833
Total - Local Sources	<u>7,146,352</u>	<u>4,511</u>		<u>7,150,863</u>
State Sources	6,420,550	137,210		6,557,760
Federal Sources	44,714	521,027		565,741
Total Revenues	<u>13,611,616</u>	<u>662,748</u>		<u>14,274,364</u>
EXPENDITURES				
Current:				
Regular Instruction	3,214,890	442,784		3,657,674
Special Education Instruction	1,355,424			1,355,424
Other Instruction	436,257			436,257
Support Services:				
Tuition	537,393			537,393
Student & Instruction Related Services	1,568,504	219,964		1,788,468
General Administrative Services	385,704			385,704
School Administrative Services	371,070			371,070
Central Services	207,800			207,800
Admin Info Tech	23,199			23,199
Plant Operations and Maintenance	957,297			957,297
Pupil Transportation	265,451			265,451
Employee Benefits	3,848,183			3,848,183
Capital Outlay	97,098		216,001	313,099
Total Expenditures	<u>13,268,270</u>	<u>662,748</u>	<u>216,001</u>	<u>14,147,019</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>343,346</u>		<u>(216,001)</u>	<u>127,345</u>
OTHER FINANCING SOURCES (USES)				
Cancellation of State Aid Receivable			(7,367)	(7,367)
Transfers to Charter School	(69,688)			(69,688)
Total Other Financing Sources and Uses	<u>(69,688)</u>		<u>(7,367)</u>	<u>(77,055)</u>
Net Change in Fund Balances	273,658		(223,368)	50,290
Fund Balance—July 1	3,059,646		342,272	3,401,918
Fund Balance—June 30	<u>\$ 3,333,304</u>	<u>\$</u>	<u>\$ 118,904</u>	<u>\$ 3,452,208</u>

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

RUNNEMEDE BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 50,290

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

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

Depreciation expense	\$	(202,544)	
Capital outlays		313,099	
		110,555	110,555

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and differed inflows/outflows related to pension changed during the period. (364,346)

In the Statement of Activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). (77,330)

Change in Net Position of Governmental Activities (A-2) \$ (280,831)

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

PROPRIETARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-type Activities - Enterprise Funds		
	Food Service	Before and After Care	Totals
ASSETS			
Current Assets:			
Cash	\$ 124,018	\$ 92,633	\$ 216,651
Accounts Receivable	11,985	3,073	15,058
Interfund Receivable	18,100		18,100
Inventory	972		972
Total Current Assets	155,075	95,706	250,781
Fixed Assets:			
Equipment	18,866		18,866
Accumulated Depreciation	(11,091)		(11,091)
Total Fixed Assets	7,775		7,775
Total Assets	162,850	95,706	258,556
LIABILITIES:			
Current Liabilities:			
Interfund Payable		18,100	18,100
Unearned Revenue	2,853	598	3,451
Total Current Liabilities	2,853	18,698	21,551
NET POSITION:			
Invested in Capital Assets Net of Related Debt	7,775		7,775
Unrestricted	152,222	77,008	229,230
Total Net Position	\$ 159,997	\$ 77,008	\$ 237,005

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Fund		
	Food Service	Before and After Care	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 60,574	\$	\$ 60,574
Daily Sales - Non-Reimbursable Programs	51,730		51,730
Program Fees		195,681	195,681
Total Operating Revenue:	112,304	195,681	307,985
Operating Expenses:			
Salaries	73,558	92,943	166,501
Employee Benefits	10,344		10,344
Management Fee	6,000		6,000
Supplies and Materials	1,663	17,630	19,293
Building Usage		8,100	8,100
Cost of Sales - Reimbursable Programs	144,722		144,722
Cost of Sales - Non Reimbursable Programs	31,365		31,365
Depreciation	969		969
Total Operating Expenses	268,621	118,673	387,294
Operating Income (Loss)	(156,317)	77,008	(79,309)
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,610		2,610
Federal Sources:			
National School Lunch Program	117,995		117,995
National School Breakfast Program	57,170		57,170
Food Distribution Program	8,940		8,940
Interest	13		13
Total Non-operating Revenues (Expenses)	186,728		186,728
Income (Loss) Before Contributions & Transfers	30,411	77,008	107,419
Transfers In (Out)			-
Change in Net Position	30,411	77,008	107,419
Total Net Position—Beginning	129,586		129,586
Total Net Position—Ending	\$ 159,997	\$ 77,008	\$ 237,005

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities		
	Enterprise Funds		
	Food Service	Before and After Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 112,304	\$ 195,681	\$ 307,985
Payments to Employees	(73,558)	(92,943)	(166,501)
Payments for Employee Benefits	(10,344)		(10,344)
Payments to Suppliers	(194,478)	(10,105)	(204,583)
Net Cash Provided by (used for) Operating Activities	<u>(166,076)</u>	<u>92,633</u>	<u>(73,443)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	2,610		2,610
Federal Sources	175,165		175,165
Net Cash Provided by (used for) Non-capital Financing Activities	<u>177,775</u>		<u>177,775</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(2,069)		(2,069)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(2,069)</u>		<u>(2,069)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	13		13
Net Cash Provided by (used for) Investing Activities	<u>13</u>		<u>13</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,643	92,633	102,276
Balances—Beginning of Year	114,375		114,375
Balances—End of Year	<u>\$ 124,018</u>	<u>\$ 92,633</u>	<u>\$ 216,651</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (156,317)	\$ 77,008	\$ (79,309)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Depreciation and Net Amortization	969		969
Food Distribution Program	8,940		8,940
(Increase)/Decrease in Accounts Receivable, Net	22,503	(3,073)	19,430
(Increase)/Decrease in Interfund Receivable	(18,100)		(18,100)
(Increase)/Decrease in Inventory	136		136
Increase/(Decrease) in Interfund Payable	(23,762)	18,100	(5,662)
Increase/(Decrease) in Deferred Revenue	(445)	598	153
Total Adjustments	<u>(9,759)</u>	<u>15,625</u>	<u>5,866</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (166,076)</u>	<u>\$ 92,633</u>	<u>\$ (73,443)</u>

Noncash Noncapital Financing Activities:

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

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

FIDUCIARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Unemployment Compensation Insurance Trust	Agency Funds	
		Student Activity	Payroll
ASSETS			
Cash and Cash Equivalents	\$ 87,634	\$ 16,230	\$ 3,970
Cash from Fiscal Agent			11,700
Due from Payroll Agency Account	2,144		
Total Assets	\$ 89,778	\$ 16,230	\$ 15,670
LIABILITIES			
Payroll Deductions and Withholdings	\$	\$	\$ 1,821
Accounts Payable			
Due to Unemployment Account			2,144
Due to General Fund			5
Flexible Spending Reserve			11,700
Payable to Student Groups		16,230	
Total Liabilities		\$ 16,230	\$ 15,670
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	\$ 89,778		

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

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions - Employee	\$ 29,238
Interest Earnings	38
Total Additions	<u>29,276</u>
DEDUCTIONS	
Unemployment Claims	<u>18,151</u>
Total Deductions	<u>18,151</u>
Change in Net Position	11,125
Net Position—Beginning of the Year	<u>78,653</u>
Net Position—End of the Year	<u><u>\$ 89,778</u></u>

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

A. Description of Reporting Entity:

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2017 of 850 students.

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

B. New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB No. 74 - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*: The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2016. The adoption of GASB 74, did not impact the financial statements of the School District.

- GASB No. 81 - *Irrevocable Split-Interest Agreements*: The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Management is evaluating the potential impact of the adoption of GASB 81 on the School District's financial statements. The adoption of GASB 81, did not impact the financial statements of the School District.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

B. New Accounting Standards: (Cont'd)

The School District has adopted the following GASB statements:

- GASB No. 82 - *Pensions - an Amendment of GASB No. 67, No. 68 and No. 73*: The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The adoption of GASB 82, will impact the financial statements of the School District.

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

- GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements. Management is evaluating the potential impact of the adoption of GASB 75 on the School District's financial statements.
- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. Management is evaluating the potential impact of the adoption of GASB 83 on the School District's financial statements.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

B. New Accounting Standards: (Cont'd)

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB No. 85 - *Omnibus 2017*: The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 85 on the School District's financial statements.
- GASB No. 86 - *Certain Debt Extinguishment Issues*: The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. Management is evaluating the potential impact of the adoption of GASB 86 on the School District's financial statements.
- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of Statement will be effective for reporting periods beginning after periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

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

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

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

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

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

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

District-Wide Statements (Cont'd)

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

B. Fund Accounting:

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

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

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

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUNDS (Cont'd)

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

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

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

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

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

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

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

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

During the 2016-17 school year, the District entered into a vended meal contract with Black Horse Pike Regional School District. This includes a management fee of \$500 per month.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (CONT'D)

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

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

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

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

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

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

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

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

C. Measurement Focus:

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

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

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

D. Basis of Accounting:

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

Revenues – Exchange and Non-exchange Transactions:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

D. Basis of Accounting: (Cont'd)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measureable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

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

Expenses/Expenditures:

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

E. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2017.

F. Budgets/Budgetary Control:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

F. Budgets/Budgetary Control: (Cont'd)

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

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

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

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

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

G. Encumbrance Accounting:

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

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

H. Cash, Cash Equivalents and Investments:

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

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

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

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

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2017 the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

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

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

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

I. Tuition Receivable:

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

J. Tuition Payable:

Tuition charges for the fiscal years ended June 30, 2017, 2016 and 2015 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

K. Inventories:

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

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

There was no Federal Commodity Inventory balance as of June 30, 2017, maintained at the Black Horse Pike Regional School District that provides meals to the Runnemede School District, on a vended meal contract basis. The Food Service inventory as of June 30, 2017 consisted of \$673 in purchased food and \$299 in supplies for a total of \$972.

L. Prepaid Expenses:

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

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

M. Short-Term Interfund Receivables/Payables:

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

N. Restricted Assets:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

O. Deferred Charges - Bond Issue Costs:

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

P. Capital Assets:

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

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

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

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

Q. Unearned Revenue:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

R. Operating Revenues and Expenses:

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

S. Compensated Absences:

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

P. Compensate Absences:

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

T. Accrued Liabilities and Long-term Obligations:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

U. Net Position:

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

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

V. Fund Balance Reserves:

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

W. Interfund Activity:

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

X. Management Estimates:

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

Y. Allocation of Indirect Expenses:

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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

X. Management Estimates:

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

Y. Allocation of Indirect Expenses:

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

Z. Extraordinary and Special Items:

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

AA. Comparative Data/Reclassifications:

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2017, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and</u>
	<u>Equivalents</u>
Checking Accounts	\$ 3,451,545
Cash with Fiscal Agent	11,700
Total	<u>\$ 3,463,245</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2017, the District's bank balance of \$3,779,156 was insured or collateralized as follows:

Insured by Depository Insurance	\$	250,000
Collateralized under GUDPA		3,529,156
		3,779,156
Total	\$	3,779,156

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

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

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Runnemede Board of Education on June 30, 2008 for accumulating funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects reflected in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)

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

Beginning Balance, July 1, 2016	\$	877,485
2016-17 Addition		799,459
Interest Earnings		279
		<u>1,677,223</u>
Less: Transfers Out		
Ending Balance, June 30, 2017	\$	<u><u>1,677,223</u></u>

Of this balance, \$355,000 was utilized in the 2017-18 budget.

The June 30, 2017 LRFP balance of local support costs of uncompleted capital projects at June 30, 2017 is \$7,389,180. There were no withdrawals from the capital reserve for use in a DOE approved facilities projects during the year under audit. Consistent with the District's Long Range Facilities Plan, projects are planned in the near future.

NOTE 5. MAINTENANCE RESERVE

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

Beginning Balance, July 1, 2016	\$	700,000
2016-17 Addition		136,927
Interest Earnings		222
		<u>837,149</u>
Less: Transfers Out		
Ending Balance, June 30, 2017	\$	<u><u>837,149</u></u>

Of this balance, \$145,000 was utilized in the 2017-18 budget.

The balance in the Maintenance Reserve as of June 30, 2017 is within the maximum amount shown in the 2017 budget.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being depreciated:				
Land	\$ 29,083			\$ 29,083
Construction in Progress	2,900,004	\$ 216,001		3,116,005
Total Capital Assets not being depreciated	2,929,087	216,001		3,145,088
Site Improvements	345,106			345,106
Building and Building Improvements	5,661,100			5,661,100
Equipment	834,675	97,098	\$ 4,524	936,297
Totals at Historical Cost	6,840,881	97,098	4,524	6,942,503
Less Accumulated Depreciation for :				
Site Improvements	(314,956)	(10,000)		(324,956)
Building and Improvements	(2,756,038)	(131,304)		(2,887,342)
Equipment	(507,214)	(61,240)	4,524	(572,978)
Total Accumulated Depreciation	(3,578,208)	(202,544)	4,524	(3,785,276)
Total Capital Assets being depreciated, Net of Accumulated Depreciation	3,262,673	(105,446)	-	3,157,227
Government Activities Capital Assets, Net	\$ 6,191,760	\$ 110,555	\$ -	\$ 6,302,315
	To A-1			To A-1
Business-Type Activities - Equipment	\$ 16,797	\$ 2,069		\$ 18,866
Less Accumulated Depreciation	(10,122)	(969)		(11,091)
Business-Type Activities Capital Assets, Net	\$ 6,675	\$ 1,100	\$ -	\$ 7,775

Depreciation Expense in the amount of \$202,544 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 8,271
Plant Operations	24,355
Central Administration	11,947
Unallocated	157,971
	<u>\$ 202,544</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2017 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Bonds Payable						
Other Liabilities:						
Compensated Absences Payable	401,365	106,294	28,964	478,695	5,479	473,216
Total Other Liabilities	\$ 401,365	\$ 106,294	\$ 28,964	\$ 478,695	\$ 5,479	\$ 473,216
Business-Type Activities:						
Compensated Absences Payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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

All bonds were paid-off during the 2011-2012 school year. Therefore, no principal and interest due on bonds is outstanding as of June 30, 2017.

B. Bonds Authorized But Not Issued - As of June 30, 2017 None.

C. Capital Leases None.

NOTE 8. OPERATING LEASES

At June 30, 2017, the District had approved operating lease agreements for 5 copiers, software and a print management agreement with payments made in the 2016-2017 school year. Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2018	\$ 22,272
2019	22,272
2020	15,372
2021	15,372
2022	13,008
Total	\$ 88,296

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS

Description of Plans - All required employees of the School District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) 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.

The following represents the membership tiers for PERS and TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

P.L. 1987, c. 384 and P.L. 1990, c.6 required 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 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. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS who retired from a municipality with 25 years of service.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Contributions - 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. PERS provides for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 12.46% of covered payroll. The District's contributions to PERS for the years ended June 30, 2017, and 2016, were \$151,359 and \$151,680 respectively, equal to the required contributions for each year. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The total payroll for the year ended June 30, 2017 was \$7,590,014. Payroll covered by PERS was \$1,504,964 for fiscal year 2017.

Information regarding contributions made by the State of New Jersey on behalf of the District is not available. Contributions to the system for the year ended June 30, 2017 is as follows:

	<u>PERS</u>
Employees	\$ 108,357
District	<u>151,359</u>
Total	<u>\$ 259,716</u>

The District is billed annually for its normal contribution plus any accrued liability. These contributions were equal to the required contributions for 2017, as follows:

Public Employees Retirement System					
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2017	\$ 23,438	\$ 119,276	\$ 151,359	\$ N/A	\$ 151,359

Components of Net Pension Liability - At June 30, 2017, the District's proportionate share of the PERS net pension liability was \$4,721,248. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2016. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The District's proportion measured as of June 30, 2016 was 0.016866% which was a decrease of 0.00078% from its proportion measured as of June 30, 2015.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2017 PERS pension expense, with respect to GASB 68, was \$513,853. The District's 2017 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 92,897	\$
Changes of assumptions	1,034,757	
Net difference between projected and actual earnings on pension plan investments	190,475	
Changes in proportion	236,016	126,544
Contributions subsequent to the measurement date	151,359	
Total	\$ 1,705,504	\$ 126,544

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</u>		<u>PERS</u>
2018	\$	325,083
2019		325,083
2020		370,246
2021		293,751
2022		113,438
Thereafter		
Total	\$	1,427,601

Additional Information - Collective Balances at June 30, 2017 and 2016 are as follows:

<u>Year</u>		<u>6/30/2017</u>		<u>6/30/2016</u>
Collective deferred outflows of resources	\$	1,705,504	\$	972,129
Collective deferred inflows of resources	\$	126,544	\$	63,676
Collective Net Pension Liability	\$	4,721,248	\$	3,960,435
District's Proportion		0.016866%		0.017643%

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date 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 actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Measurement Date	June 30, 2016
Actuarial Valuation Date	July 1, 2015
Investment Rate of Return	7.65%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	3.08%

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 2013 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 the experience deviates, the larger the impact on future financial statements.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. 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:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
US 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 ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate as of June 30, 2016 used to measure the total pension liability was 3.98% for PERS. 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 their 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 for PERS. 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.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating 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 were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
District's proportionate share of the net pension liability	\$ <u>6,121,142</u>	\$ <u>4,721,248</u>	\$ <u>4,065,797</u>

Teachers' Pension and Annuity Fund

The TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer defined benefit pension 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.

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

Contributions - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 6.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions (Continued) - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions.

The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100% special funding situation with the State of New Jersey.

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

Year	Annual Pension	Percentage of APC	Net Pension
Funding	<u>Cost (APC)</u>	Contributed	Obligation
6/30/17	\$ 481,428	100 %	\$ N/A
6/30/16	864,557	100	N/A
6/30/15	749,428	100	N/A

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$481,428 to the TPAF for pension contributions, \$577,788 for post-retirement benefits on behalf of the School, and \$1,638 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$395,749 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2017, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Pension Expense - For the year ended June 30, 2017, the District recognized pension expense of \$2,913,452 and revenue of \$2,913,452 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2016 measurement date 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 actuarial assumptions, applied to all periods in the measurement:

	TPAF
Measurement Date	June 30, 2016
Actuarial Valuation Date	July 1, 2015
Investment Rate of Return	7.65%
Salary Scale (Based on Age):	
Through 2026	Varies based
Thereafter	on experience
Inflation	2.50%

Long-Term Expected Rate of Return - 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:

	TPAF	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Bonds	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 – MultiStrategy	5.00%	3.70%
Hedge Funds – Equity Hedge	3.75%	4.72%
Hedge Funds – Distressed	3.75%	3.49%
Total	100.00%	

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

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 contribution rate in the most recent fiscal year. The State contributed 30% 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 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 Collective Net Pension Liability to Changes in the Discount Rate – As indicated above, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution.

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

NOTE 10. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016 there were 110,512 retirees receiving 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11. COMPENSATED ABSENCES

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

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2017, a liability existed for compensated absences in the governmental fund in the amount \$478,695.

NOTE 12. DEFERRED COMPENSATION

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

Aetna	Lincoln Investment Planning	
Fidelity Investments	Vanguard	AXA Equitable

NOTE 13. CONTINGENCIES

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

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14. RISK MANAGEMENT

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

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

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$	\$ 29,276	\$ 18,151	\$ 89,778
2015-2016		19,386	11,549	78,653
2014-2015		24,312	18,432	70,816

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 716,504	\$
Special Revenue Fund		103,369
Capital Projects Fund		613,130
Payroll Agency		5
Total	<u>\$ 716,504</u>	<u>\$ 716,504</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 16. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,333,304 General Fund balance at June 30, 2017, \$623 is assigned for Encumbrances; \$1,677,223 has been restricted in the Capital Reserve Account, of which \$355,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2018 ; \$837,149 is restricted for Maintenance Reserve, of which \$145,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2018; \$940,893 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which (\$803,460 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$44,282 has been assigned, appropriated and included as anticipated revenue for the year ending June 30, 2018); and there is a Deficit in unreserved and undesignated fund balance of (\$166,866).

Debt Service Fund –There is no fund balance in the Debt Service Fund at June 30, 2017.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (\$1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$940,893 and \$803,460 must be budgeted in the 2017-18 budget and \$137,433 must be budgeted in the 2018-19 budget.

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit in Unrestricted fund balance of (\$166,866) in the General Fund and no deficit 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 budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

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

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$465,758.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 19. RECEIVABLES

Receivables at June 30, 2017 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>
Federal	\$	\$ 56,606	\$	\$ 11,130
State	139,336		467,081	165
Other	5,175			690
Totals	<u>\$ 144,511</u>	<u>\$ 56,606</u>	<u>\$ 467,081</u>	<u>\$ 11,985</u>

NOTE 20. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

NOTE 21. LITIGATION

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

NOTE 22. SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,035,809	\$ -	\$ 7,035,809	\$ 7,035,809	\$ -
Other Local Governmental Units- Unrestricted	20,000		20,000		(20,000)
Tuition From Individuals	7,500		7,500	41,363	33,863
Tuition From Other LEAs				11,306	11,306
Transportation Fees From Other LEAs	20,000		20,000	26,480	6,480
Interest on Investments				571	571
Interest Earned on Capital Reserve				279	279
Interest Earned on Maintenance Reserve				222	222
Miscellaneous	1,250		1,250	30,322	29,072
Total - Local Sources	7,084,559		7,084,559	7,146,352	61,793
State Sources:					
Equalization Aid	4,209,516		4,209,516	4,209,516	
Special Education Aid	481,898		481,898	481,898	
School Choice	89,353		89,353	89,353	
Transportation Aid	21,255		21,255	21,255	
Security Aid	41,674		41,674	41,674	
Under Adequacy Aid	496		496	496	
Additional Adjustment Aid	8,123		8,123	8,123	
PARCC Readiness Aid	7,940		7,940	7,940	
Per Pupil Growth Aid	7,940		7,940	7,940	
Professional Learning Community Aid	8,390		8,390	8,390	
Host District Support Aid	264		264	264	
Extraordinary Aid	35,000		35,000	81,804	46,804
Non-Public Transportation				2,088	2,088
Homeless Tuition				17,526	17,526
On-behalf Pension Contribution				577,788	577,788
On-behalf TPAF Post Retirement Medical Contribution				481,428	481,428
On-behalf TPAF Long-Term Dissability Contribution				1,638	1,638
Reimbursement TPAF Social Security				395,749	395,749
Total - State Sources	4,911,849		4,911,849	6,434,870	1,523,021
Federal Sources:					
Medicaid Reimbursement	6,860		6,860	44,714	37,854
Total - Federal Sources	6,860		6,860	44,714	37,854
TOTAL REVENUES	\$ 12,003,268	\$ -	\$ 12,003,268	\$ 13,625,936	\$ 1,622,668
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 297,712	\$ (5,113)	\$ 292,599	\$ 292,438	\$ 161
Grades 1-5	1,652,590	(133,021)	1,519,569	1,476,894	42,675
Grades 6-8	1,148,689	(177,080)	971,609	948,827	22,782
Home instruction:					
Salaries of Teachers	8,600	539	9,139	9,139	
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instruction		33,366	33,366	33,366	
Purchased Prof/Ed Services	62,500	92,891	155,391	155,391	
Purchased Technical Services	45,000	(13,225)	31,775	29,061	2,714
Other Purchased Services	35,000	(7,915)	27,085	19,941	7,144
General Supplies	226,037	(250)	225,787	207,468	18,319
Textbooks	66,564	(422)	66,142	42,365	23,777
Total Regular Programs	3,542,692	(210,230)	3,332,462	3,214,890	117,572

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 166,381	\$ 75,696	\$ 242,077	\$ 242,047	\$ 30
Other Salaries for Instruction	147,476	(131,076)	16,400	16,400	
General Supplies	9,000	11,100	20,100	20,037	63
Total Multiple Disabilities	322,857	(44,280)	278,577	278,484	93
Resource Room:					
Salaries of Teachers	772,276	(40,746)	731,530	704,614	26,916
Other Salaries for Instruction	191,746	(48,579)	143,167	143,167	
General Supplies	1,200	1,787	2,987	2,894	93
Total Resource Room	965,222	(87,538)	877,684	850,675	27,009
Preschool Disabilities - Part Time:					
Salaries of Teachers	114,055	24,719	138,774	136,526	2,248
Other Salaries for Instruction	100,749	(33,352)	67,397	67,397	
General Supplies	900	18,665	19,565	6,701	12,864
Other Objects	7,036	15,286	22,322	5,766	16,556
Total Preschool Disabilities	222,740	25,318	248,058	216,390	31,668
Home Instruction:					
Purch Prof - Ed. Services		9,875	9,875	9,875	
Total Preschool Disabilities		9,875	9,875	9,875	
TOTAL SPECIAL EDUCATION	1,510,819	(96,625)	1,414,194	1,355,424	58,770
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	280,094	72,505	352,599	352,599	
General Supplies	800	(325)	475	387	88
Total Basic Skills/Remedial-Instruction	280,894	72,180	353,074	352,986	88
Bilingual Education-Instruction					
Salaries of Teachers					
Total Bilingual Education-Instruction					
School Sponsored Co-curricular Activities:					
Salaries	28,000	4,041	32,041	32,041	
Supplies and Materials	5,000	(2,000)	3,000	1,936	1,064
Other Objects	3,500		1,459	1,100	359
Total School Sponsored Co-curricular Activities	36,500		36,500	35,077	1,423
School Sponsored Athletics:					
Salaries	50,000		50,000	38,301	11,699
Supplies and Materials	5,000		5,000	4,513	487
Other Objects	7,000		7,000	5,380	1,620
Total School Sponsored Athletics	62,000		62,000	48,194	13,806
Total Instruction	5,432,905	(234,675)	5,198,230	5,006,571	191,659
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	6,738	(6,660)	78	78	
Tuition - Other LEAs Within the State - Special	50,000	(48,005)	1,995	1,995	
Tuition - Co Spec Serv and Regional Day Schools	409,140	5,116	414,256	394,007	20,249
Tuition to Private Schools for the Disabled Within State	55,989	42,241	98,230	61,613	36,617
Tuition to Private Schools for the Disabled & Other LEA o/s	73,700	6,000	79,700	79,700	
Total Undistributed Expenditures - Instruction	595,567	(1,308)	594,259	537,393	56,866

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Health Services:					
Salaries	\$ 173,421	\$ 778	\$ 174,199	\$ 174,199	\$ -
Purch Prof/ Tech Services	16,250	(3,176)	13,074	13,061	13
Other Purchased Services	1,085	(245)	840	684	156
Supplies and Materials	8,845	(3,295)	5,550	3,299	2,251
Total Health Services	199,601	(5,938)	193,663	191,243	2,420
Speech, OT, PT & Related Services					
Salaries	111,733	(7,148)	104,585	104,585	
Purchased Professional - Educational Services	45,700	(3,737)	41,963	41,900	63
Supplies and Materials	2,500	(519)	1,981	1,980	1
Total Related Services	159,933	(11,404)	148,529	148,465	64
Other Support Services - Students - Extra Services:					
Salaries	99,015	204,669	303,684	292,246	11,438
Purchased Prof Ed Services	75,794	52,345	128,139	123,023	5,116
Supplies and Materials	1,700	(1,700)			
Total Extra Services	176,509	255,314	431,823	415,269	16,554
Guidance:					
Salaries Other Professionals	160,079	(39,611)	120,468	118,933	1,535
Supplies and Materials	2,292	(726)	1,566	806	760
Total Guidance	162,371	(40,337)	122,034	119,739	2,295
Child Study Team					
Salaries of Other Professional Staff	223,166	38,966	262,132	262,132	
Salaries Secr. & Clerical Asst.	34,447	151	34,598	34,598	
Purchased Professional - Educational Services	21,000	3,122	24,122	21,314	2,808
Misc Purch Services	900	(652)	248	247	1
Supplies and Materials	3,500	2,944	6,444	6,444	
Other Objects	900	79	979	979	
Total Child Study Teams	283,913	44,610	328,523	325,714	2,809
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	155,847	(918)	154,929	154,929	
Salaries Secr. & Clerical Asst.	13,727	3,207	16,934	14,996	1,938
Purchased Professional and Educational Services	9,295	(6,626)	2,669	356	2,313
Supplies and Materials		782	782	321	461
Other Objects	1,300		1,300	1,294	6
Total Improvement of Instruction Services/Other Support	180,169	(3,555)	176,614	171,896	4,718
Educational Media Services/School Library:					
Salaries	97,523	(10,850)	86,673	78,379	8,294
Salaries of Technology Coordinators	80,546	351	80,897	80,897	
Purchased Professional and Technical Services	10,580	(1,001)	9,579	8,747	832
Other Purchased Services	22,975	(22,975)			
Supplies and Materials		21,225	21,225	18,617	2,608
Total Educational Media Services/School Library	211,624	(13,250)	198,374	186,640	11,734

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$	\$	\$	\$	\$
Purchased Professional and Educational Services	5,000	4,520	9,520	9,320	200
Supplies and Materials	10,000	(7,591)	2,409	218	2,191
Total Inst. Staff Training Services	15,000	(3,071)	11,929	9,538	2,391
Support Services General Administration:					
Salaries	213,697	22,000	235,697	198,984	36,713
Legal Services	30,000	(4,300)	25,700	10,468	15,232
Audit Fees	18,500	100	18,600	17,125	1,475
Architectural/Engineering Services	4,000	(3,400)	600		600
Other Purchased Professional Services	4,200	(2,050)	2,150	2,150	
Communication/Telephone	78,206	8,950	87,156	44,727	42,429
BOE Other Purchased Prof. Services	3,535	(136)	3,399	3,270	129
Other Purchased Services	96,691	986	97,677	95,080	2,597
General Supplies	4,500	(150)	4,350	4,301	49
Miscellaneous Expenditures	2,350	188	2,538	2,439	99
BOE Membership Dues and Fees	7,600	(188)	7,412	7,160	252
Total Support Services General Administration	463,279	22,000	485,279	385,704	99,575
Support Services School Administration:					
Salaries of Principals/Assistant Principals	215,309	21,268	236,577	214,577	22,000
Salaries of Secretarial and Clerical Assistants	147,050	(300)	146,750	134,051	12,699
Other Purchased Services	12,221	(265)	11,956	10,797	1,159
Supplies and Materials	7,456	1,797	9,253	9,185	68
Other Objects	3,200	(500)	2,700	2,460	240
Total Support Services School Administration	385,236	22,000	407,236	371,070	36,166
Central Services:					
Salaries	210,135	16,327	226,462	188,065	38,397
Purchased Professional Services	4,059	(1,000)	3,059	2,466	593
Purchased Technical Services	9,195	6,423	15,618	10,436	5,182
Miscellaneous Purchased Services	295	(125)	170	130	40
Supplies and Materials	4,838	(584)	4,254	4,226	28
Interest on Bond Anticipation Notes (BANs)	10,100		10,100		10,100
Other Objects	1,843	709	2,552	2,477	75
Total Central Services	240,465	21,750	262,215	207,800	54,415
Admin. Info. Technology:					
Salaries	22,000	(18,756)	3,244		3,244
Purchased Technical Services	9,362	2,142	11,504	10,305	1,199
Other Purchased Services	632	225	857	850	7
Supplies and Materials	1,700	16,638	18,338	12,044	6,294
Total Admin. Info. Technology	33,694	249	33,943	23,199	10,744
Required Maintenance for School Facilities:					
Salaries	49,028	214	49,242	49,242	
Cleaning, Repair and Maintenance Services	82,745	62,040	144,785	76,314	68,471
General Supplies	55,500	3,415	58,915	53,486	5,429
Other Objects	500	(185)	315		315
Total Required Maintenance for School Facilities	187,773	65,484	253,257	179,042	74,215

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 324,722	\$ 24,096	\$ 348,818	\$ 348,818	\$ -
Salaries of Non-Instructional Aides	76,102	(15,487)	60,615	60,615	
Purchased Prof & Tech Services	3,190		3,190	2,886	304
Cleaning, Repair and Maintenance Services	11,020	(386)	10,634	7,378	3,256
Other Purchased Property Services	46,575	(842)	45,733	43,795	1,938
Insurance	8,000	1,485	9,485	9,478	7
Miscellaneous Purchased Services	1,034	2,553	3,587	3,587	
General Supplies	66,728	4,428	71,156	70,915	241
Energy (Natural Gas)	80,000	(13,950)	66,050	38,619	27,431
Energy (Electricity)	190,000	(15,962)	174,038	146,858	27,180
Other Objects	300	185	485	485	
Total Other Operation and Maintenance of Plant - Custodial	807,671	(13,880)	793,791	733,434	60,357
Total Operation and Maintenance of Plant Services	995,444	51,604	1,047,048	912,476	134,572
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	17,550	15,230	32,780	24,080	8,700
General Supplies	8,662	11,242	19,904	12,611	7,293
Total Care & Upkeep of Grounds	26,212	26,472	52,684	36,691	15,993
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	10,000		10,000	6,515	3,485
General Supplies	15,000	(1,497)	13,503	1,615	11,888
Total Security	25,000	(1,497)	23,503	8,130	15,373
Undistributed Expenditures - Student Transportation Services:					
Salaries Pupil Trans (Bet Home/School) - Regular	58,017	16,496	74,513	73,469	1,044
Management Fee - ESC & CTSA Trans. Program	6,500	1,250	7,750	7,734	16
Other Purch. Prof. & Tech Serv.	1,200	5,180	6,380	6,380	
Contracted Services (Bet Home/School) - Vendor	38,000	(38,000)			
Contracted Services (Not Bet Home/School) - Vendors	17,525	3,189	20,714	18,154	2,560
Contracted Services (Sp. Ed. Stds.) - Vendors	94,000	(9,544)	84,456	4,921	79,535
Contracted Services (Reg Students) - ESCs & CTSA	300		300		300
Contracted Services (Special Ed. Students) - ESCs & CTSA	120,000	12,500	132,500	132,106	394
Contracted Services - Aid in Lieu of Payments - Nonpublic	15,000	912	15,912	15,912	
Rental Payments - School Busses	500	(500)			
Transportation Supplies		7,107	7,107	6,775	332
Total Student Transportation Services	351,042	(1,410)	349,632	265,451	84,181
Unallocated Employee Benefits:					
Social Security Contributions	109,000	51,204	160,204	160,204	
Other Retirement Contributions - PERS	156,000	27,164	183,164	183,164	
Unemployment Compensation	24,294	(24,294)			
Workers Compensation	111,000	6,625	117,625	117,625	
Health Benefits	2,205,307	(85,323)	2,119,984	1,874,166	245,818
Tuition Reimbursement	30,000		30,000	26,174	3,826
Other Employee Benefits	50,000	(7,672)	42,328	30,247	12,081
Total Unallocated Employee Benefits	2,685,601	(32,296)	2,653,305	2,391,580	261,725
On-behalf TPAF Pension Contribution				577,788	(577,788)
On-behalf TPAF Post Retirement Medical Contribution				481,428	(481,428)
On-behalf TPAF Long-Term Dissability Contribution				1,638	(1,638)
Reimbursement TPAF Social Security				395,749	(395,749)
Total Personal Services - Employee Benefits	2,685,601	(32,296)	2,653,305	3,848,183	(1,194,878)
Total Undistributed Expenditures	7,190,660	329,933	7,520,593	8,164,601	(644,008)
TOTAL EXPENDITURES - CURRENT EXPENSE	12,623,565	95,258	12,718,823	13,171,172	(452,349)

**RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Increase in Capital Reserve	\$	\$	\$	\$	\$
Undistributed Expenditures:					
Instructional:					
School Sponsored and Other Instructional programs					
Undistributed Expenditures - Required Maint for School Fac		5,146	5,146	5,146	
Custodial Services		9,956	9,956	9,956	
School Bus - Regular	81,997		81,997	81,996	1
Total Equipment	81,997	15,102	97,099	97,098	1
Facilities Acquisition - Construction Services:					
Total Facilities Acquisition and Construction Services					
TOTAL CAPITAL OUTLAY	81,997	15,102	97,099	97,098	1
TOTAL EXPENDITURES	12,705,562	110,360	12,815,922	13,268,270	(452,348)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(702,294)	(110,360)	(812,654)	357,666	1,170,320
Other Financing Sources (Uses):					
Transfer to Charter School	(18,000)	(51,688)	(69,688)	(69,688)	
Total Other Financing Sources	(18,000)	(51,688)	(69,688)	(69,688)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(720,294)	(162,048)	(882,342)	287,978	1,170,320
Fund Balances, July 1	3,511,084		3,511,084	3,511,084	
Fund Balances, June 30	\$ 2,790,790	\$ (162,048)	\$ 2,628,742	\$ 3,799,062	\$ 1,170,320
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus				\$ 137,433	
Excess Surplus - Designated for Subsequent Year's Expenditures				803,460	
Maintenance Reserve				692,149	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				145,000	
Capital Reserve				1,322,223	
Capital Reserve - Designated for Subsequent Year's Expenditures				355,000	
Assigned Fund Balance:					
Year-End Encumbrances				623	
Designated for Subsequent Year's Expenditures				44,282	
Unassigned Fund Balance				298,892	
				3,799,062	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(465,758)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,333,304	

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources	\$ 5,000	\$	\$ 5,000	\$ 4,511	\$ 489
Federal Sources	399,137	132,978	532,115	521,027	11,088
State Sources	171,460	34,422	205,882	137,210	68,672
Total Revenues	<u>575,597</u>	<u>167,400</u>	<u>742,997</u>	<u>662,748</u>	<u>80,249</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	76,158	67,433	143,591	141,016	2,575
Purchased Prof/Tech Services		46,824	46,824	41,957	4,867
Other Purchased Services	15,120	201,763	216,883	216,883	
General Supplies	297,029	(259,247)	37,782	34,437	3,345
Textbooks	9,593	(601)	8,992	8,491	501
Total Instruction	<u>397,900</u>	<u>56,172</u>	<u>454,072</u>	<u>442,784</u>	<u>11,288</u>
Support Services					
Purchased Professional & Technical Services - Other	35,318	85,679	120,997	101,446	19,551
Other Purchased Services	142,379	16,859	159,238	109,631	49,607
General Supplies		890	890	1,087	(197)
Other Objects		7,800	7,800	7,800	
Total Support Services	<u>177,697</u>	<u>111,228</u>	<u>288,925</u>	<u>219,964</u>	<u>68,961</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>575,597</u>	<u>167,400</u>	<u>742,997</u>	<u>662,748</u>	<u>80,249</u>
Other Financing Sources (Uses)					
Total Outflows	<u>575,597</u>	<u>167,400</u>	<u>742,997</u>	<u>662,748</u>	<u>80,249</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

RUNNEMEDE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 13,625,936	[C-2] \$ 662,748
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year Current Year	
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	451,438	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(465,758)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>13,611,616</u>	[B-2] \$ <u>662,748</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 13,268,270	[C-2] \$ 662,748
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>13,268,270</u>	[B-2] \$ <u>662,748</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

SCHEDULE L-1

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.016866%	0.017643%	0.016190%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,721,248	\$ 3,960,435	\$ 3,031,301
District's Covered-Employee Payroll	\$ 1,504,964	\$ 1,381,733	\$ 1,233,319
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	313.71%	286.63%	245.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%

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

SCHEDULE L-2

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

Public Employee's Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 151,359	\$ 151,680	\$ 133,472
Contributions in Relation to the Contractually Required Contribution	<u>(151,359)</u>	<u>(151,680)</u>	<u>(133,472)</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 1,504,964	\$ 1,381,733	\$ 1,233,319
Contributions as a Percentage of Covered-Employee Payroll	10.06%	10.98%	10.82%

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

Teachers Pension Plan

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.049291%	0.053573%	0.053724%
State's proportionate share of the Net Pension Liability (asset) associated with the District	\$ 38,775,664	\$ 33,860,278	\$ 28,713,546
District's Covered-Employee Payroll	\$ 5,397,870	\$ 5,029,343	\$ 5,183,302
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	718.35%	673.25%	553.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%

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

SCHEDULE L-4

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

Teachers' Pension Plan

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

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

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

RUNNEMEDE BOARD OF EDUCATION

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

For the Fiscal Year Ended June 30, 2017

Teachers' Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	NCLB			I.D.E.A. - Part B			Sub-Total Per E-1 (2)	Totals	
	Title I Part A	Title II Part A	Title II Part A	Basic	Basic	Preschool		2017	2016
	2016-17	2016-17	2015-16	2016-17	2015-16	2016-17			
REVENUES:									
Federal Sources	\$ 206,741	\$ 42,434	\$ 890	\$ 257,820	\$ 2,443	\$ 10,699	\$ -	\$ 521,027	\$ 479,442
State Sources							137,210	137,210	135,017
Other							4,511	4,511	965
Total Revenues	206,741	42,434	890	257,820	2,443	10,699	141,721	662,748	615,424
EXPENDITURES:									
Instruction:									
Salaries of Teachers	141,016							141,016	98,846
Purchased Prof/Tech Services	5,357			34,157	2,443			41,957	42,571
Other Purchased Services				203,358			13,525	216,883	218,478
General Supplies	25,368						9,069	34,437	20,039
Textbooks							8,491	8,491	8,951
Total Instruction	171,741			237,515	2,443		31,085	442,784	388,885
Support Services:									
Purchased Prof/Tech Services	35,000	35,639		20,305		10,502		101,446	103,780
Other Purchased Services		6,795					102,836	109,631	117,807
General Supplies			890			197		1,087	752
Other Objects							7,800	7,800	4,200
Total Support Services	35,000	42,434	890	20,305		10,699	110,636	219,964	226,539
Facilities Acquisition/Construction:									
Instructional Equipment									
Total Facilities Acquisition/Construction									
Total Expenditures	\$ 206,741	\$ 42,434	\$ 890	\$ 257,820	\$ 2,443	\$ 10,699	\$ 141,721	\$ 662,748	\$ 615,424

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	Non-Public										
	Textbook Aid	Nursing Aid	Technology Aid	Security Aid	Chapter 192		Chapter 193			Denafo Grant	Totals
					Compensatory Education	Transportation	Corrective Speech	Examination and Classification	Supplemental Instructional Aid		
REVENUES:											
Federal Sources											\$ -
State Sources	\$ 8,491	\$14,034	\$ 4,049	\$ 7,800	\$ 55,418	\$ 4,485	\$ 9,719	\$ 19,089	\$ 14,125		137,210
Other										\$ 4,511	4,511
Total Revenues	8,491	14,034	4,049	7,800	55,418	4,485	9,719	19,089	14,125	4,511	141,721
EXPENDITURES:											
Instruction:											
Other Purchased Services		13,525									13,525
General Supplies		509	4,049							4,511	9,069
Textbooks	8,491										8,491
Total Instruction	8,491	14,034	4,049							4,511	31,085
Support Services:											
Other Purchased Services					55,418	4,485	9,719	19,089	14,125		102,836
Other Objects				7,800							7,800
Total Support Services				7,800	55,418	4,485	9,719	19,089	14,125		110,636
Facilities Acquisition/Construction:											
Instructional Equipment											
Total Facilities Acquisition/Construction											
Total Expenditures	\$ 8,491	\$14,034	\$ 4,049	\$ 7,800	\$ 55,418	\$ 4,485	\$ 9,719	\$ 19,089	\$ 14,125	\$ 4,511	\$ 141,721

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

EXHIBIT F-1

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>	
School Windows, Roof and Other Exterior Replacement:					
Bingham School	1/6/14	\$ 738,750	\$ 663,664	\$ (9,540)	\$ 84,626
Downing School	2/24/14	360,000	360,000		
Mary E. Volz School	2/24/14	2,286,812	2,105,522		181,290
		<u>\$ 3,385,562</u>	<u>\$ 3,129,186</u>	<u>\$ (9,540)</u>	<u>\$ 265,916</u>
Designated Fund Balance		\$	\$	\$	\$ 115,263
Unearned State Aid					150,653
Expended			3,125,545	(9,540)	
Encumbered					
State Share		1,892,153			
Local Share		1,493,409			
		<u>\$ 3,385,562</u>	<u>\$ 3,125,545</u>	<u>\$ (9,540)</u>	<u>\$ 265,916</u>

EXHIBIT F-2

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017

**Revenues and Other Financing
Sources**

State Sources - SDA Grant	\$	(5,332)
Transfer from Capital Reserve Funds		
Interest		
Total Revenues		<u>(5,332)</u>

Expenditures and Other Financing Uses

Architectural Costs		
Construction Services		216,001
Total Expenditures		<u>216,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(221,333)
Fund Balance - Beginning		<u>342,272</u>
Fund Balance - Ending	\$	<u><u>120,939</u></u>

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BINGHAM SCHOOL MASONRY RESTORATION, EXTERIOR DOOR AND WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 412,879	\$	\$ 412,879	\$ 412,879
Transfer from Capital Reserve Funds	325,871		325,871	325,871
Total Revenues	738,750		738,750	738,750
Expenditures and Other Financing Uses				
Architectural Costs	49,160		49,160	51,713
Construction Services	614,504	(9,540)	604,964	687,038
Total Expenditures	663,664	(9,540)	654,124	738,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 75,086	\$	\$ 84,626	\$

Additional Project Information:

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

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DOWNING SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

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

Additional Project Information:

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

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MARY E. VOLZ SCHOOL WINDOWS AND OTHER EXTERIOR REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,176,753	\$	\$ 1,176,753	\$ 1,278,074
Transfer from Capital Reserve Funds	928,769		928,769	1,008,738
Total Revenues	2,105,522		2,105,522	2,286,812
Expenditures and Other Financing Uses				
Architectural Costs	155,965		155,965	169,394
Construction Services	1,768,267	(3,641)	1,764,626	2,117,418
Total Expenditures	1,924,232	(3,641)	1,920,591	2,286,812
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 181,290	\$	\$ 184,931	\$

Additional project information:

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2017 AND 2016

	Food Service Enterprise Fund	Before and After Care Fund	Totals	
			2017	2016
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 124,018	\$ 92,633	\$ 216,651	\$ 114,375
Accounts Receivable:				
State	165		165	439
Federal	11,130		11,130	32,170
Other	690	3,073	3,763	1,879
Interfund Receivable	18,100		18,100	
Inventory	972		972	1,108
Total Current Assets	<u>155,075</u>	<u>95,706</u>	<u>250,781</u>	<u>149,971</u>
Fixed Assets:				
Equipment	18,866		18,866	16,797
Accumulated Depreciation	(11,091)		(11,091)	(10,122)
Total Fixed Assets	<u>7,775</u>		<u>7,775</u>	<u>6,675</u>
Total Assets	<u>162,850</u>	<u>95,706</u>	<u>258,556</u>	<u>156,646</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable				
Interfund Payable		18,100	18,100	23,762
Unearned Revenue	2,853	598	3,451	3,298
Total Current Liabilities	<u>2,853</u>	<u>18,698</u>	<u>21,551</u>	<u>27,060</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	7,775		7,775	6,675
Reserved for Fixed Asset Purchase	100,000		100,000	
Unrestricted	52,222	77,008	129,230	122,911
Total Net Position	<u>\$ 159,997</u>	<u>\$ 77,008</u>	<u>\$ 237,005</u>	<u>\$ 129,586</u>

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017 AND 2016

	Food Service Enterprise Fund	Before and After Care Fund	Totals	
			2017	2016
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$ 59,086	\$	\$ 59,086	\$ 56,289
School Breakfast Program	1,488		1,488	2,005
Total Daily Sales - Reimbursable Programs	60,574		60,574	58,294
Daily Sales Non-Reimbursable Programs	51,730		51,730	50,896
Program Fees		195,681	195,681	
Total Operating Revenue	112,304	195,681	307,985	109,190
OPERATING EXPENSES:				
Salaries	73,558	92,943	166,501	66,322
Employee Benefits	10,344		10,344	9,367
Supplies and Materials	1,663	17,630	19,293	634
Building Usage		8,100	8,100	
Cost of Sales -Reimbursable Programs	144,722		144,722	123,541
Cost of Sales - Non Reimbursable Programs	31,365		31,365	29,887
Depreciation	969		969	826
Management Fee	6,000		6,000	5,000
Total Operating Expenses	268,621	118,673	387,294	235,577
Operating Income (Loss)	(156,317)	77,008	(79,309)	(126,387)
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	2,610		2,610	2,697
Federal Sources:				
School Breakfast Program	57,170		57,170	73,483
National School Lunch Program	117,995		117,995	115,272
Food Distribution Program	8,940		8,940	7,154
Interest	13		13	8
Total Non-Operating Revenues	186,728		186,728	198,614
Net Income before Operating Transfers	30,411	77,008	107,419	72,227
Net Income	30,411	77,008	107,419	72,227
Net Position - July 1	129,586		129,586	57,359
Net Position - June 30	\$ 159,997	\$ 77,008	\$ 237,005	\$ 129,586

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017 AND 2016

	Food Service Enterprise Fund	Before and After Care Fund	Totals	
			2017	2016
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 112,304	\$ 195,681	\$ 307,985	\$ 109,190
Payments to Employees	(73,558)	(92,943)	(166,501)	(66,322)
Payments for Employee Benefits	(10,344)		(10,344)	(9,367)
Payments to Suppliers	(194,478)	(10,105)	(204,583)	(155,735)
Net Cash Provided by (Used for) Operating Activities	(166,076)	92,633	(73,443)	(122,234)
Cash Flows from Non-Capital Financing Activities				
State Sources	2,610		2,610	2,697
Federal Sources	175,165		175,165	188,755
Net Cash Provided by (Used for) Operating Activities	177,775		177,775	191,452
Cash Flows from Capital and Related Financing Activities				
Purchases of Capital Assets	(2,069)		(2,069)	(2,200)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,069)		(2,069)	(2,200)
Cash Flows from Investing Activities				
Interest and Dividends	13		13	8
Net Cash Provided by (Used for) Investing Activities	13		13	8
Net Increase (Decrease) in Cash and Cash Equivalents	9,643	92,633	102,276	67,026
Balances - Beginning of Year	114,375		114,375	47,349
Balances - End of Year	\$ 124,018	\$ 92,633	\$ 216,651	\$ 114,375
Operating Income (Loss)				
	\$ (156,317)	\$ 77,008	\$ (79,309)	\$ (126,387)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	969		969	826
Food Distribution Program	8,940		8,940	7,154
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	22,503	(3,073)	19,430	(25,549)
(Increase)/Decrease in Interfund Receivable	(18,100)			
(Increase)/Decrease in Inventory	136		136	(832)
Increase/(Decrease) in Accounts Payable			-	(945)
Increase/(Decrease) in Interfund Payable	(23,762)	18,100	(5,662)	23,367
Increase/(Decrease) in Unearned Revenue	(445)	598	153	132
Total Adjustments	(9,759)	15,625	23,966	4,153
Net Cash Used by Operating Activities	\$ (166,076)	\$ 92,633	\$ (55,343)	\$ (122,234)

INTERNAL SERVICE FUND

RUNNEMEDE BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>IT Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Information Technology Services	\$ 25,395
Total Operating Revenue	<u>25,395</u>
OPERATING EXPENSES:	
Salaries	20,000
Supplies	5,395
Total Operating Expenses	<u>25,395</u>
Change in Net Position	
Net Position - July 1	
Net Position - June 30	<u>\$ -</u>

RUNNEMEDE BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>IT Director Services</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 25,395
Payments to Employees	(20,000)
Payments to Suppliers	(5,395)
Net Cash Provided by (Used for) Operating Activities	<u>-</u>
Cash Flows from Non-Capital Financing Activities	
Operating Subsidies and Transfers to Other Funds	
Net Cash Provided by (Used for) Operating Activities	<u> </u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u> </u>
Cash Flows from Investing Activities	
Interest and Dividends	
Net Cash Provided by (Used for) Investing Activities	<u>\$ -</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Trust</u>		<u>Student</u>	<u>Payroll</u>	<u>2017</u>	<u>2016</u>
	<u>Unemployment</u>		<u>Activity</u>			
	<u>Compensation</u>					
ASSETS:						
Cash and Cash Equivalents	\$ 87,634	\$	16,230	\$	3,970	\$ 107,834 \$ 225,744
Cash with Fiscal Agent					11,700	11,700 10,671
Due from Payroll Agency Account	2,144				2,144	2,144 6,599
Total Assets	<u>\$ 89,778</u>	\$	<u>16,230</u>	\$	<u>15,670</u>	\$ <u>121,678</u> \$ <u>243,014</u>
LIABILITIES AND NET POSITION:						
Liabilities:						
Payroll Deductions and Withholdings		\$		\$	1,821	\$ 1,821 \$ 69,156
Accounts Payable						1,941
Due to Unemployment Account					2,144	2,144 6,599
Due to General Fund					5	5 67,084
Flexible Spending Reserve					11,700	11,700 7,771
Due to Student Groups			16,230			16,230 11,810
Total Liabilities			<u>16,230</u>		<u>15,670</u>	<u>31,900</u> <u>164,361</u>
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	89,778				89,778	78,653
	<u>89,778</u>				<u>89,778</u>	<u>78,653</u>
Total Liabilities and Net Position	<u>\$ 89,778</u>	\$	<u>16,230</u>	\$	<u>15,670</u>	\$ <u>121,678</u> \$ <u>243,014</u>

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017 AND 2016

	<u>Expendable Trust</u>		
	<u>Unemployment</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>2017</u>	<u>2016</u>
ADDITIONS:			
Employee Deductions	\$ 29,238	\$ 29,238	\$ 19,350
Interest on Investments	38	38	36
Total Additions	<u>29,276</u>	<u>29,276</u>	<u>19,386</u>
DEDUCTIONS:			
Unemployment Compensation Claims	18,151	18,151	11,549
Total Deductions	<u>18,151</u>	<u>18,151</u>	<u>11,549</u>
Change in Net Position	11,125	11,125	7,837
Net Position - Beginning of the Year	<u>78,653</u>	<u>78,653</u>	<u>70,816</u>
Net Position - End of the Year	<u>\$ 89,778</u>	<u>\$ 89,778</u>	<u>\$ 78,653</u>

RUNNEMEDE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1,</u> <u>2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/17</u>	<u>Balance</u> <u>June 30,</u> <u>2017</u>
ELEMENTARY SCHOOLS					
Bingham School	\$ 3,170	\$ 7,222	\$ 6,809	\$	\$ 3,583
Downing School	4,916	9,042	6,877		7,081
Volz School	3,724	24,872	23,030		5,566
TOTAL ALL SCHOOLS	<u>\$ 11,810</u>	<u>\$ 41,136</u>	<u>\$ 36,716</u>	<u>\$</u>	<u>\$ 16,230</u>

RUNNEMEDE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>7/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/17</u>
ASSETS:				
Cash and Cash Equivalents	\$ 139,939	\$ 8,300,713	\$ 8,436,682	\$ 3,970
Cash with Fiscal Agent	10,671	19,158	18,129	11,700
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 150,610	\$ 8,319,871	\$ 8,454,811	\$ 15,670
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES:				
Net Payroll	\$	\$ 4,789,563	\$ 4,789,563	\$
Payroll Deductions & Withholdings	69,156	3,511,145	3,578,480	1,821
Due to Unemployment Trust Account	6,599	2,144	6,599	2,144
Due to General Fund	67,084	5	67,084	5
Flexible Spending Reserve	7,771	22,058	18,129	11,700
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 150,610	\$ 8,324,915	\$ 8,459,855	\$ 15,670
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

STATISTICAL SECTION

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217	\$ 3,226,844	\$ 3,604,197	\$ 3,473,772	\$ 6,191,760	\$ 6,302,315
Restricted	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871	3,619,074
Unrestricted	(733,844)	(814,701)	(1,322,095)	(565,718)	(449,818)	(525,195)	(570,933)	(3,377,588)	(3,605,300)	(4,061,889)
Total Governmental Activities Net Position	\$ 2,160,241	\$ 2,471,435	\$ 2,093,634	\$ 3,078,448	\$ 4,399,393	\$ 5,126,060	\$ 6,188,096	\$ 4,101,295	\$ 6,140,331	\$ 5,859,500
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$	\$	\$ 6,686	\$ 5,944	\$ 7,974	\$ 7,001	\$ 6,164	\$ 5,301	\$ 6,675	\$ 7,775
Restricted										
Unrestricted	15,167	14,764	5,637	34,843	32,868	41,041	3,410	52,058	122,911	229,230
Total Business-Type Activities Net Position	\$ 15,167	\$ 14,764	\$ 12,323	\$ 40,787	\$ 40,842	\$ 48,042	\$ 9,574	\$ 57,359	\$ 129,586	\$ 237,005
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191	\$ 3,233,845	\$ 3,610,361	\$ 3,479,073	\$ 6,198,435	\$ 6,310,090
Restricted	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411	3,154,832	4,005,111	3,553,871	3,619,074
Unrestricted	(718,677)	(799,937)	(1,316,458)	(530,875)	(416,950)	(484,154)	(567,523)	(3,325,530)	(3,482,389)	(3,832,659)
Total District-Wide Net Position	\$ 2,175,408	\$ 2,486,199	\$ 2,105,957	\$ 3,119,235	\$ 4,440,235	\$ 5,174,102	\$ 6,197,670	\$ 4,158,654	\$ 6,269,917	\$ 6,096,505

Source: CAFR Schedule A-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	\$ 3,770,924	\$ 3,770,924	\$ 3,652,476	\$ 3,723,081	\$ 3,665,945
Special Education	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,205,619	1,253,654	1,343,669	1,355,424
Other Instruction	59,976	258,381	420,505	241,756	208,999	215,467	215,467	307,713	247,082	436,257
Support Services										
Tuition	441,169	661,784	778,809	943,713	605,307	569,265	569,265	413,871	587,144	537,393
Student and Instruction Related Serv.	1,166,284	1,122,611	1,260,296	1,285,066	1,329,739	1,380,450	1,380,450	1,575,472	1,563,987	1,813,863
General and Business Admin. Services	508,027	609,082	663,529	659,175	568,737	607,624	607,624	551,467	634,012	628,650
School Administrative Services	337,578	360,545	353,592	327,567	339,475	350,477	350,477	356,589	359,987	371,070
Plant Operations and Maintenance	932,759	791,949	834,331	652,554	708,219	653,349	653,349	878,185	862,926	981,652
Pupil Transportation	364,979	447,094	394,595	294,088	226,354	264,384	264,384	311,425	334,143	265,451
Unallocated Employee Benefits	2,930,512	2,515,630	3,233,570	2,469,749	3,012,067	3,234,907	3,234,907	4,544,444	5,516,621	6,625,523
Amortization of Debt Issue Costs		2,349	2,349	2,349	2,349					
Interest on Long-Term Debt	57,962	44,941	34,998	22,267	9,303					
Unallocated Depreciation	7,725	5,405	5,613	5,710	79,622	118,484	118,484	163,077	157,380	157,971
Total Governmental Activities Expenses	7,592,497	11,581,584	12,972,479	11,555,000	11,796,005	12,370,950	12,370,950	14,008,373	15,330,032	16,839,199
Business-Type Activities										
Food Service										
Before and After Care	157,688	230,333	228,624	206,088	245,745	238,344	257,015	220,927	235,577	268,621
Total Business-Type Activities Expense	157,688	230,333	228,624	206,088	245,745	238,344	257,015	220,927	235,577	387,294
Total District Expenses	\$ 7,750,185	\$ 11,811,917	\$ 13,201,103	\$ 11,761,088	\$ 12,041,750	\$ 12,609,294	\$ 12,627,965	\$ 14,229,300	\$ 15,565,609	\$ 17,226,493
Program Revenues										
Governmental Activities										
Operating Grants and Contributions										
Total Gov't Activities Program Rev.	2,104,015	1,251,335	1,554,471	1,406,306	1,480,710	1,695,295	1,356,237	1,482,350	1,480,781	1,539,925
Total District Program Revenues	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642	\$ 1,679,535	\$ 1,902,485	\$ 1,551,280	\$ 1,726,058	\$ 1,788,577	\$ 2,034,625
Business-Type Activities										
Charges for Services										
Food Service	55,831	62,437	79,625	76,222	73,929	73,395	73,166	92,106	109,190	112,304
Before and After Care										195,681
Operating Grants and Contributions	63,349	84,031	99,527	114,114	124,896	133,795	121,877	151,602	198,606	186,715
Total Bus.-Type Activities Prog. Rev.	119,180	146,468	179,152	190,336	198,825	207,190	195,043	243,708	307,796	494,700
Total District Program Revenues	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642	\$ 1,679,535	\$ 1,902,485	\$ 1,551,280	\$ 1,726,058	\$ 1,788,577	\$ 2,034,625
Net (Expense)/Revenue										
Governmental Activities										
Total Governmental Activities	\$ (5,488,482)	\$ (10,330,249)	\$ (11,418,008)	\$ (10,148,694)	\$ (10,315,295)	\$ (10,675,655)	\$ (11,098,506)	\$ (12,526,023)	\$ (13,840,236)	\$ (15,273,879)
Business-Type Activities										
Total Business-Type Activities	(38,508)	(83,865)	(49,472)	(15,752)	(46,920)	(31,154)	(61,972)	22,781	72,219	107,406
Total District-Wide Net Expense	\$ (5,526,990)	\$ (10,414,114)	\$ (11,467,480)	\$ (10,164,446)	\$ (10,362,215)	\$ (10,706,809)	\$ (11,160,478)	\$ (12,503,242)	\$ (13,768,017)	\$ (15,166,473)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	\$ 4,806,705	\$ 5,273,763	\$ 6,535,674	\$ 7,089,901	\$ 7,035,809
Taxes Levied for Debt Service	176,266	169,178	174,383							
Unrestricted Grants and Contributions	3,992,069	4,547,600	6,443,842	6,314,821	6,300,716	6,551,576	6,466,280	6,699,260	8,578,851	7,919,240
Investment Earnings		17,356	5,229	1,517	687	1,361	1,126	1,070	1,094	1,072
Miscellaneous Income	82,666	48,033	97,137	109,775	67,604	90,141	178,164	122,516	227,453	113,982
Other Adjustments		9,610			244,207	(38,350)	(23,500)	(35,381)		(7,367)
Transfers	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(9,111)	(9,013)	(9,070)	(18,027)	(69,688)
Total Governmental Activities	10,268,388	10,641,443	11,040,207	11,133,508	11,636,240	11,402,322	11,886,820	13,314,069	15,879,272	14,993,048
Business-Type Activities										
Investment Earnings	949	192	69	26	9	4	4	4	8	13
Other Adjustments					(1,094)	38,350	297,222	25,000		
Transfers	27,660	83,270	46,962	44,190	48,060					
Total Business-Type Activities	28,609	83,462	47,031	44,216	46,975	38,354	297,226	25,004	8	13
Total District-Wide	\$ 10,296,997	\$ 10,724,905	\$ 11,087,238	\$ 11,177,724	\$ 11,683,215	\$ 11,440,676	\$ 12,184,046	\$ 13,339,073	\$ 15,879,280	\$ 14,993,061
Change in Net Position										
Governmental Activities										
Total Governmental Activities	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814	\$ 1,320,945	\$ 726,667	\$ 788,314	\$ 788,046	\$ 2,039,036	\$ (280,831)
Business-Type Activities										
Total Business-Type Activities	(9,899)	(403)	(2,441)	28,464	55	7,200	235,254	47,785	72,227	107,419
Total District-Wide	\$ 4,770,007	\$ 310,791	\$ (380,242)	\$ 1,013,278	\$ 1,321,000	\$ 733,867	\$ 1,023,568	\$ 835,831	\$ 2,111,263	\$ (173,412)

Source: CAFR Schedule A-2

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted	\$ 849,650	\$ 385,401	\$ 499,187	\$ 365,821	\$ 1,383,411	\$ 427,522	\$	\$	\$	\$
Excess Surplus							716,546	666,782	803,460	137,433
Maintenance Reserve							200,000	700,000	700,000	837,149
Capital Reserve							1,369,944	377,010	877,485	1,677,223
Assigned										
Year End Encumbrances							103,192	26,388	110,360	623
Subsequent Year's Expenditures							733,059	2,234,931	720,294	847,742
Unassigned (Deficit)	679,881	1,228,391	503,918	347,400	242,594	(140,989)	(181,593)	(128,240)	(151,953)	(166,866)
Total General Fund	\$ 1,529,531	\$ 1,613,792	\$ 1,003,105	\$ 713,221	\$ 1,626,005	\$ 286,533	\$ 2,941,148	\$ 3,876,871	\$ 3,059,646	\$ 3,333,304
All Other Governmental Funds										
Reserved	\$	\$	\$	\$ 51,578	\$ 3,072	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Special Revenue Fund	(9,161)									
Capital Projects Fund			421,509	24,583	29,019	32,091	32,091		342,272	118,904
Total All Other Governmental Funds	\$ (9,161)	\$ -	\$ 421,509	\$ 76,161	\$ 32,091	\$ 32,091	\$ 32,091	\$	\$ 342,272	\$ 118,904

Source: CAFR Schedule B-1

RUNNEMEDE 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	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796	\$ 6,502,000	\$ 6,630,000	\$ 6,762,600	\$ 6,897,852	\$ 7,035,809
Tuition		21,198	37,610	34,946	49,209	49,015	169,449	80,144	64,552	52,669
Interest Earnings		17,356	5,229	1,517	687	1,361	1,126	1,070	1,094	1,072
Miscellaneous	82,666	26,835	59,527	74,829	18,395	41,126	8,715	42,372	162,901	61,313
State Sources	5,709,778	5,463,350	5,042,164	5,824,349	5,656,260	6,014,785	5,934,615	6,164,241	8,066,138	6,557,760
Federal Sources	386,306	400,333	1,401,678	490,472	644,456	536,791	531,665	535,019	512,713	565,741
Total Revenues	12,400,063	12,022,025	12,641,640	12,584,004	12,920,803	13,145,078	13,275,570	13,585,446	15,705,250	14,274,364
Expenditures										
Instruction										
Regular Instruction	4,085,426	3,733,316	4,014,841	3,581,539	3,577,043	3,770,924	3,608,552	3,635,082	3,706,295	3,657,674
Special Education Instruction	760,881	942,011	885,624	978,108	1,117,505	1,205,619	1,192,569	1,253,654	1,343,669	1,355,424
Other Instruction	59,976	258,381	420,505	241,756	208,999	215,467	249,280	307,713	247,082	436,257
Support Services										
Tuition	441,169	661,784	778,809	943,713	605,307	569,265	399,883	413,871	587,144	537,393
Student and Instruction Related Services	1,166,284	1,178,198	1,260,296	1,285,066	1,329,739	1,380,450	1,418,875	1,575,472	1,554,972	1,788,468
School Administrative Services	337,578	360,545	353,592	364,929	367,591	395,532	403,423	370,349	371,705	394,269
General Administrative Services	497,276	598,271	652,300	610,393	539,191	562,569	614,220	525,500	598,831	593,504
Plant Operations and Maintenance	931,892	786,544	828,717	646,844	613,830	653,349	767,145	866,079	862,926	957,297
Pupil Transportation	364,979	447,094	394,595	294,088	226,354	264,384	290,743	311,425	334,143	265,451
Business and Other Support Services	2,930,512	2,561,940	2,809,406	3,118,199	3,057,764	3,292,419	3,299,905	3,303,859	3,639,792	3,848,183
Capital Outlay	20,012	42,975	101,428	834,286	97,581	127,111	344,977	74,359	2,915,617	313,099
Debt Service										
Principal	225,000	225,000	245,000	250,000	250,000					
Interest and Other Charges	61,806	50,274	38,743	26,125	13,125					
Total Expenditures	11,882,791	11,846,333	12,783,856	13,175,046	12,004,029	12,437,089	12,589,572	12,637,363	16,162,176	14,147,019
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	517,272	175,692	(142,216)	(591,042)	916,774	707,989	685,998	948,083	(456,926)	127,345
Other Financing Sources (Uses)										
Transfers, Net	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(38,350)	(23,500)	(25,000)		
Cancellation of prior year Receivable								(10,381)		(7,367)
Transfer to Charter School						(9,111)	(9,013)	(9,070)	(18,027)	(69,688)
Total Other Financing Sources (Uses)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(47,461)	(32,513)	(44,451)	(18,027)	(77,055)
Net Change in Fund Balances	\$ 489,612	\$ 92,422	\$ (189,178)	\$ (635,232)	\$ 868,714	\$ 660,528	\$ 653,485	\$ 903,632	\$ (474,953)	\$ 50,290
Debt Service as a Percentage of										
Noncapital Expenditures	2.4%	2.3%	2.2%	2.2%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2017	\$ 1,072	\$ 52,669	\$ 30,017	\$ 26,480		\$ 305	\$ 110,543
2016	1,094	64,552	117,678	40,555		3,703	227,582
2015	1,070	80,144	12,205			25,857	119,276
2014	1,126	169,449	4,529			2,124	177,228
2013	1,361	49,015	30,583			5,297	86,256
2012	687	1,126	4,658			3,746	10,217
2011	1,517	1,361	52,352			15,941	71,171
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	-	8,800	5,648		2,510	5,166	22,124

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2017	\$ 3,765,000	\$ 380,802,400	\$ 75,358,500	\$ 16,397,100	\$ 26,719,000	\$ 503,042,000	\$ 1,061,965	\$ 504,103,965	\$ 1.410	\$ 506,449,375
2016	3,884,400	380,679,000	75,988,800	16,597,100	26,719,000	503,868,300	1,053,284	504,921,584	0.000	526,728,129
2015	3,876,000	381,090,800	75,673,700	16,597,100	26,843,000	504,080,600	1,048,625	505,129,225	1.353	526,944,737
2014	4,354,200	380,658,400	74,854,600	18,574,500	27,118,900	505,560,600	1,021,763	506,582,363	1.294	515,762,943
2013	4,788,500	381,511,400	73,710,800	19,241,100	27,118,900	506,370,700	1,242,127	334,255,309	1.294	549,113,180
2012	3,097,500	257,928,600	45,472,800	12,060,100	14,752,700	333,311,700	943,609	334,255,309	1.953	591,488,940
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.817	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.808	588,376,307
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.823	591,141,251
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.839	534,990,012

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

c Estimate

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

Year Ended June 30,	Runnemedede School District			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Runnemedede	Regional School	Camden County	Total
2017	\$ 1.410	\$ 0.000	\$ 1.410	\$ 1.055	\$ 0.549	\$ 0.822	\$ 3.836
2016	1.380	0.000	1.380	1.012	0.559	0.837	3.788
2015	1.353	0.000	1.353	1.012	0.588	0.846	3.799
2014	1.378	0.000	1.378	0.984	0.568	0.802	3.732
2013	1.259	0.035	1.294	0.998	0.566	1.255	4.113
2012	1.953	0.000	1.953	1.425	0.869	1.124	5.371
2011	1.841	0.054	1.895	1.497	0.835	1.073	5.300
2010	1.767	0.050	1.817	1.379	0.835	1.054	5.085
2009	1.754	0.054	1.808	1.347	0.838	1.041	5.034
2008	1.769	0.054	1.823	1.248	0.866	1.046	4.983

Source: District Records and Municipal Tax Collector

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

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

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

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

Taxpayer	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 10,205,100	2.02%	\$ 6,000,000	1.78%
Hartford Plaza	10,108,400	2.01%	5,238,700	1.55%
The Meadows at Runnemedede	10,056,800	1.99%	4,424,500	1.31%
DPE Runnemedede Assoc. LLC	7,419,200	1.47%		
Runnemedede Lodging Investors	4,338,800	0.86%	3,250,000	0.96%
Sinatra Corporation	3,830,600	0.76%	2,450,000	0.73%
East Coast Enterprises	3,273,600	0.65%	2,125,100	0.63%
Runnemedede Associates	2,966,500	0.59%		
D&P Industrial	2,394,200	0.47%	11,016,300	3.26%
Oak Ridge Apartments	1,984,000	0.39%	1,090,000	0.32%
CVS			1,578,700	0.47%
United Softee Realty			1,250,000	0.37%
Total	\$ 56,577,200	11.22%	\$ 38,423,300	11.38%

Source: District CAFR & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2017	\$ 7,035,809	\$ 6,897,852	94.23%	\$
2016	6,897,852	6,897,852	96.12%	
2015	6,897,852	6,630,000	94.26%	
2014	6,630,000	6,502,000	98.04%	
2013	6,502,000	6,374,873	100.00%	
2012	6,374,873	6,374,873	100.00%	
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2017	\$	\$	\$	\$	\$		\$	
2016								
2015								
2014								
2013								
2012								
2011	250,000				250,000	0.07%	30	
2010	500,000				500,000	0.14%	89	
2009	745,000				745,000	0.21%	115	
2008	970,000				970,000	0.29%	141	

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2017	\$	\$	\$	\$	
2016					
2015					
2014					
2013					
2012					
2011	250,000		250,000	0.05%	30
2010	500,000		500,000	0.15%	59
2009	745,000		745,000	0.22%	88
2008	970,000		970,000	0.29%	115

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

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

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

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

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 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			
Borough of Runnemede	\$ 6,929,644	100.00%	\$ 6,929,644
Camden County General Obligation Debt	437,189,420	1.34%	5,866,949
Black Horse Pike Regional High School District	8,977,000	9.30%	834,866
Subtotal, Overlapping Debt			<u>13,631,459</u>
Runnemede School District Direct Debt			
Total Direct and Overlapping Debt			<u><u>\$ 13,631,459</u></u>

Sources: Camden County Board of Taxation

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis	
	2016	\$ 504,372,673
	2015	502,622,993
	2014	514,094,570
	[A]	\$ 1,521,090,236
Average Equalized Valuation of Taxable Property	[A/3]	\$ 507,030,079
Debt Limit (3% of Average Equalization Value)	[B]	\$ 15,210,902 ^a
Net Bonded School Debt	[C]	
Legal Debt Margin	[B-C]	\$ 15,210,902

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001	\$ 15,449,574	\$ 15,210,902
Total Net Debt Applicable to Limit	970,000	745,000	500,000	250,000						
Legal Debt Margin	\$ 14,864,779	\$ 16,503,752	\$ 16,503,752	\$ 17,530,795	\$ 17,185,675	\$ 10,762,856	\$ 16,045,255	\$ 15,674,001	\$ 15,449,574	\$ 15,210,902
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6%	4%	3%	4%	0%	0%	0%	0%	0%	0%

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2017 *	8,394	\$ 460,216,495	\$ 54,827	5.1%
2016	8,382	459,507,725	54,284	5.7%
2015	8,370	449,862,390	53,747	6.4%
2014	8,380	433,958,300	51,785	8.4%
2013	8,404	378,827,108	45,077	10.1%
2012	8,446	377,890,932	44,742	11.7%
2011	8,453	372,904,095	44,115	10.0%
2010	8,469	355,638,717	41,993	9.4%
2009	8,408	350,117,528	41,641	12.2%
2008	8,421	348,402,033	41,373	7.9%

Source:

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

^b Personal income

^c Per Capita

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

* Estimate

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

	<u>2017</u>		<u>2008</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Not Available				
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

Source:

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

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction										
Regular	72	69	68	67	67	57	57	59	55	55
Special Education	12	12	12	20	20	28	16	17	15	17
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	15	15	17.5	32	34	39.1	39
General Administrative Services	5	4	4	2	2	2	2	2	2	2
School Administrative Services	5	5	5	7	7	8	7	9	9	9
Business Administrative Services	2	3	3	3	3	3	5.5	5	6.4	6
Plant Operations and Maintenance	10	12	12	12	12	12.5	9.5	9.5	11	12
Food Service	1	1	1			4	4	3	3	3
Total	111	110	109	126	126	132	133	139	141	143

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Elementary</u>	<u>Middle</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2017	850	\$ 13,833,920	\$ 16,275	12.7%	79	1:11	1:10	854.6	814	-0.13%	95.25%	
2016	851	13,246,559	15,566	7.8%	77	1:11	1:10	857.8	815	0.25%	95.01%	
2015	870	12,563,004	14,440	-0.9%	78	1:13	1:09	855.7	812.5	1.65%	94.95%	
2014	840	12,243,465	14,576	1.0%	81	1:12	1:90	841.8	799.04	-1.60%	94.92%	
2013	853	12,309,978	14,431	4.5%	86	1:11	1:10	855.5	810.3	1.64%	94.72%	
2012	862	11,906,448	13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%	
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%	
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%	
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%	
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%	

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

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

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

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>District Building</u>										
<u>Elementary</u>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	177	177	182	205	208	195	194	210	188	183
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	157	157	178	168	170	177	168	159	160	169
<u>Middle School</u>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	456	456	468	458	464	481	478	501	503	498
<u>Other</u>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2016

 Elementary = 2

 Middle = 1

 High School = 0

 Other = 1

Source: District records, ASSA

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

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

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

School Facilities	Gross Square Footage	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bingham School	25,050	\$ 30,464	\$ 22,126	\$ 13,781	\$ 26,960	\$ 22,500	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785
Downing School	23,315	34,375	19,654	16,543	19,995	17,973	13,631	12,378	46,168	35	2,693
Volz School	70,268	114,203	88,845	84,184	44,401	49,407	42,974	36,999	29,531	14,527	115,151
Total School Facilities		179,042	130,625	114,508	91,356	89,880	73,325	63,695	102,058	14,780	122,629
Other Facilities	2,132										
Grand Total		\$ 179,042	\$ 130,625	\$ 114,508	\$ 91,356	\$ 89,880	\$ 73,325	\$ 63,695	\$ 102,058	\$ 14,780	\$ 122,629

RUNNEMEDE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
Building and Contents (All Locations)			
	Blanket Real & Personal Property	\$ 350,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Equipment Breakdown	100,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Pollutant Cleanup & Removal	250,000	1,000
	General Liability	6,000,000	
	Automobile Liability	6,000,000	1,000
Worker's Compensation			
	Professional & Clerical	6,731,575	
	Non-Professional & Driver	417,816	
	Employer	2,000,000	
Crime & Bonds			
	Faithful Performance	100,000	500
	Forgery & Alteration	25,000	500
	Money & Securities	10,000	500
	Money Orders/Counterfeit	25,000	500
	Computer Fraud	100,000	500
Catastrophic Student Accident Coverage			
	Accident Medical Expense Benefit	6,000,000	
	Catastrophic Cash Benefit	1,000,000	
Surety Bonds			
	Treasurer	200,000	1,000
	Board Secretary	50,000	1,000

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated October 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Runnemede Board of Education's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
October 31, 2017

NIGHTLINGER, COLAVITA & VOLPA

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Runnemede School District's major federal and state programs for the year ended June 30, 2017. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 31, 2017. However, material weaknesses may exist that have not been identified.

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

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

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
October 31, 2017

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2017		
					From	To							(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education															
General Fund															
Medicaid Assistance Program	93.778	1605NJ5MAP	N/A	\$33,271	7/1/15	6/30/16	\$ (9,986)	\$ 9,986							
Medicaid Assistance Program	93.778	1705NJ5MAP	N/A	44,714	7/1/16	6/30/17		44,714	\$ (44,714)		\$ (44,714)				
Total General Fund							(9,986)	54,700	(44,714)		(44,714)				
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Child Nutrition Cluster:															
Cash Assistance:															
School Breakfast Program	10.553	171NJ304N1099	N/A	57,170	7/1/16	6/30/17		53,315	(57,170)		(57,170)		\$ (3,855)		
School Breakfast Program	10.553	16161NJ304N1099	N/A	73,483	7/1/15	6/30/16	\$ (13,248)	13,248							
National School Lunch Program	10.555	171NJ304N1099	N/A	117,995	7/1/16	6/30/17		110,720	(117,995)		(117,995)		(7,275)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	115,272	7/1/15	6/30/16	(18,922)	18,922							
Non-Cash Assistance:															
Food Distribution Program	10.565	Unknown	N/A	8,940	7/1/16	6/30/17		8,940	(8,940)		(8,940)				
Total Enterprise Fund							(32,170)	205,145	(184,105)		(184,105)		(11,130)		
U.S. Department of Education															
Passed-through State Department of Education:															
Special Revenue Fund:															
Title I	84.010A	S010A160030	NCLB0950-17	211,574	7/1/16	6/30/17		206,741	(206,741)		(206,741)				
Title I	84.010A	S010A150030	NCLB0950-16	175,178	7/1/15	6/30/16	(40,327)	40,423				\$ (96)			
Title II A	84.367A	S367A160029	NCLB0950-17	47,131	7/1/16	6/30/17		42,434	(42,434)		(42,434)				
Title II A	84.367A	S367A150029	NCLB0950-16	44,147	7/1/15	6/30/16	(6,167)	7,057	(890)		(890)				
IDEA Cluster:															
I.D.E.A. Part B, Pre-school	84.173	H173A160114	IDEAPS0950-17	12,300	7/1/16	6/30/17		10,699	(10,699)		(10,699)				
I.D.E.A. Part B, Pre-school	84.173	H173A150114	IDEAPS0950-16	11,985	7/1/15	6/30/16	(1,061)	1,061							
I.D.E.A. Part B Basic	84.027	H027A160100	IDEA0950-17	261,110	7/1/16	6/30/17		201,214	(257,820)		(257,820)		(56,606)		
I.D.E.A. Part B Basic	84.027	H027A150100	IDEA0950-16	267,072	7/1/15	6/30/16	(63,544)	65,987	(2,443)		(2,443)				
Total Special Revenue Fund							(111,099)	575,616	(521,027)		(521,027)	(96)	(56,606)		
Total Federal Financial Awards							<u>\$(153,255)</u>	<u>\$ 835,461</u>	<u>\$ (749,846)</u>		<u>\$ (749,846)</u>	<u>\$ (96)</u>	<u>\$ (67,736)</u>		

(A) There were no awards passed through to subrecipients.

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

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Adjustment / Repayment of Prior Year Balance	Balance at June 30, 2017		MEMO	
			From	To	(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	16-495-034-5120-078	4,192,794	7/1/15	6/30/16	\$ (391,548)		\$ 391,548						
Equalization Aid	17-495-034-5120-078	4,209,516	7/1/16	6/30/17			3,807,490	\$ (4,209,516)		\$ (402,026)		* \$ (402,026)	\$ 4,209,516
Special Education Aid	16-495-034-5120-089	474,234	7/1/15	6/30/16	(44,287)		44,287						
Special Education Aid	17-495-034-5120-089	481,898	7/1/16	6/30/17			435,875	(481,898)		(46,023)		* (46,023)	481,898
School Choice Aid	16-495-034-5120-068	89,353	7/1/15	6/30/16	(8,344)		8,344						
School Choice Aid	17-495-034-5120-068	89,353	7/1/16	6/30/17			80,819	(89,353)		(8,534)		* (8,534)	89,353
Transportation Aid	16-495-034-5120-014	17,260	7/1/15	6/30/16	(1,612)		1,612						
Transportation Aid	17-495-034-5120-014	21,255	7/1/16	6/30/17			19,225	(21,255)		(2,030)		* (2,030)	21,255
Security Aid	16-495-034-5120-084	35,985	7/1/15	6/30/16	(3,360)		3,360						
Security Aid	17-495-034-5120-084	41,674	7/1/16	6/30/17			37,694	(41,674)		(3,980)		* (3,980)	41,674
Under Adequacy Aid	16-495-034-5120-096	496	7/1/15	6/30/16	(46)		46						
Under Adequacy Aid	17-495-034-5120-096	496	7/1/16	6/30/17			449	(496)		(47)		* (47)	496
Additional Adjustment Aid	16-495-034-5120-085	8,123	7/1/15	6/30/16	(759)		759						
Additional Adjustment Aid	17-495-034-5120-085	8,123	7/1/16	6/30/17			7,347	(8,123)		(776)		* (776)	8,123
PARCC Readiness Aid	16-495-034-5120-098	7,940	7/1/15	6/30/16	(741)		741						
PARCC Readiness Aid	17-495-034-5120-098	7,940	7/1/16	6/30/17			7,182	(7,940)		(758)		* (758)	7,940
Per Pupil Growth Aid	16-495-034-5120-097	7,940	7/1/15	6/30/16	(741)		741						
Per Pupil Growth Aid	17-495-034-5120-097	7,940	7/1/16	6/30/17			7,182	(7,940)		(758)		* (758)	7,940
Prof Learning Comm Aid	17-495-034-5120-101	8,390	7/1/16	6/30/17			7,589	(8,390)		(801)		* (801)	8,390
Host District Aid	17-495-034-5120-102	264	7/1/16	6/30/17			239	(264)		(25)		* (25)	264
Extraordinary Aid	16-100-034-5120-473	74,794	7/1/15	6/30/16	(74,794)		74,794						
Extraordinary Aid	17-100-034-5120-473	81,804	7/1/16	6/30/17				(81,804)		(81,804)		* (81,804)	81,804
Non-public Transportation Aid	16-495-034-5120-014	2,088	7/1/15	6/30/16	(2,088)		2,088						
Non-public Transportation Aid	17-495-034-5120-014	2,088	7/1/16	6/30/17				(2,088)		(2,088)		* (2,088)	2,088
Reimbursed TPAF Social Security Contrib.	16-495-034-5094-003	395,445	7/1/15	6/30/16	(36,893)		36,893						
Reimbursed TPAF Social Security Contrib.	17-495-034-5094-003	395,749	7/1/16	6/30/17			357,831	(395,749)		(37,918)		* (37,918)	395,749
Homeless Tuition Aid	N/A	17,526	7/1/16	6/30/17				(17,526)		(17,526)		* (17,526)	17,526
Total General Fund					(565,213)		5,334,135	(5,374,016)		(605,094)		(465,758)	5,374,016
Capital Projects Fund:													
NJSDA - Bingham School	4590-020-14-1001	412,879	7/1/15	6/30/16	(370,914)		268,478		\$ 5,332	(97,104)		*	365,582
NJSDA - Downing School	4590-030-14-1002	201,200	7/1/15	6/30/16	(201,200)		156,005			(45,195)		*	201,200
NJSDA - Mary E. Volz School	4590-040-14-1003	1,278,074	7/1/15	6/30/16	(1,176,753)		849,936		2,035	(324,782)		*	1,174,718
					(1,748,867)		1,274,419		7,367	(467,081)			1,741,500
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Security Aid	17-100-034-5120-084	7,800	7/1/16	6/30/17			7,800	(7,800)				*	7,800
Security Aid	16-100-034-5120-084	4,200	7/1/15	6/30/16									
Textbook Aid	17-100-034-5120-064	8,992	7/1/16	6/30/17			8,992	(8,491)		\$ 501		*	8,491
Textbook Aid	16-100-034-5120-064	9,593	7/1/15	6/30/16		\$ 642			(642)				
Nursing Aid	17-100-034-5120-070	14,040	7/1/16	6/30/17			14,040	(14,034)				6 *	14,034
Nursing Aid	16-100-034-5120-070	15,120	7/1/15	6/30/16									
Technology Aid	17-100-034-5120-373	4,056	7/1/16	6/30/17			4,056	(4,049)				7 *	4,049
Technology Aid	16-100-034-5120-373	4,368	7/1/15	6/30/16					(61)				
Auxiliary Services:													
Compensatory Education Aid	17-100-034-5120-067	66,289	7/1/16	6/30/17			66,289	(55,418)			10,871 *		55,418
Compensatory Education Aid	16-100-034-5120-067	63,452	7/1/15	6/30/16		12,141			(12,141)				
ESL Aid	17-100-034-5120-067	3,654	7/1/16	6/30/17			3,654				3,654		
Transportation Aid	17-100-034-5120-068	13,028	7/1/16	6/30/17			13,028	(4,485)			8,543 *		4,485
Transportation Aid	16-100-034-5120-068	13,984	7/1/15	6/30/16		10,184			(10,184)				
Handicapped Services:													
Supplemental Instruction Aid	17-100-034-5120-066	32,173	7/1/16	6/30/17			32,173	(14,125)			18,048 *		14,125
Supplemental Instruction Aid	16-100-034-5120-066	21,534	7/1/15	6/30/16		6,090			(6,090)				
Examination & Classification Aid	17-100-034-5120-066	38,179	7/1/16	6/30/17			38,179	(19,089)			19,090 *		19,089
Examination & Classification Aid	16-100-034-5120-066	26,075	7/1/15	6/30/16		2,217			(2,217)				
Corrective Speech	17-100-034-5120-066	17,671	7/1/16	6/30/17			17,671	(9,719)			7,952 *		9,719
Corrective Speech	16-100-034-5120-066	20,902	7/1/15	6/30/16		12,876			(12,876)				
Total Special Revenue Fund						44,211	205,882	(137,210)	(44,211)		68,672		137,210
State Department of Agriculture:													
Enterprise Fund:													
School Lunch Prog.	16-100-010-3350-023	2,697	7/1/15	6/30/16	(439)		439						
School Lunch Prog.	17-100-010-3350-023	2,610	7/1/16	6/30/17			2,445	(2,610)		(165)		*	2,610
Total Enterprise Fund					(439)		2,884	(2,610)		(165)			2,610
Total State Financial Assistance Subject to OMB 15-08					\$ (2,314,519)	\$ 44,211	\$ 6,817,320	\$ (5,513,836)	\$ (36,844)	\$ (1,072,340)	\$ 68,672	\$ (465,758)	\$ 7,255,336
State Financial Assistance Not Subject to OMB 15-08													
On-Behalf TPAF Pension Contribution	17-495-034-5094-002	577,788	7/1/16	6/30/17			\$ 577,788	\$ (577,788)					
On-Behalf TPAF Post Retirement Medical	17-495-034-5094-001	481,428	7/1/16	6/30/17			481,428	(481,428)					
On-Behalf Long-term Disability	17-495-034-5094-004	1,638	7/1/16	6/30/17			1,638	(1,638)					
Total State Financial Assistance							\$ 7,878,174	\$ (6,574,690)					

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

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 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, Runnemede School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,320) for the general fund and \$0 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2017

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 44,714	\$ 6,420,550	\$ 6,465,264
Special Revenue Fund	521,027	137,210	658,237
Food Service Fund	189,325	2,610	191,935
Total Awards & Financial Assistance	<u>\$ 755,066</u>	<u>\$ 6,560,370</u>	<u>\$ 7,315,436</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Runnemedede School District had no outstanding loans as of June 30, 2017.

NOTE 6: OTHER

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

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

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

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? _____ yes X none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs: N/A

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

2) Significant deficiencies identified? _____ yes _____ none reported

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

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

CFDA Number(s)

FAIN Number(s)

Name of Federal Program or Cluster

N/A

Dollar threshold used to distinguish between type A and type B programs (section .518): N/A

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

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)

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

State Awards

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

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

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB
Circular Letter 15-08 as applicable? _____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
17-495-034-5120-078	Equalization Aid
17-495-034-5120-089	Special Education Categorical Aid
17-495-034-5120-068	School Choice Aid
17-495-034-5120-084	Security Aid
17-495-034-5120-085	Additional Adjustment Aid
17-495-034-5120-097	Per Pupil Growth Aid
17-495-034-5120-098	PARCC Readiness
17-495-034-5120-096	Under Adequacy Aid
17-495-034-5120-014	Transportation Aid
17-495-034-5120-101	Professional Learning Community Aid
17-495-034-5120-102	Host District Support Aid

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(continued)

Section II - Financial Statement Findings

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

There were no matters to be reported.

Finding:

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

FEDERAL AWARDS N/A

STATE AWARDS N/A

RUNNEMEDE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

STATUS OF PRIOR - YEAR FINDINGS

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

Condition:

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

Current Status:

Subsequent to June 30, 2017, an HVAC system was purchased in the amount of \$100,000 in the Food Service Fund and as such, the matter will be resolved.