

**BOARD OF EDUCATION**  
**OF THE**  
**TOWNSHIP OF TABERNACLE**  
**SCHOOL DISTRICT**  
**TABERNACLE, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

**TABERNACLE SCHOOL DISTRICT**  
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## INTRODUCTORY SECTION



# Tabernacle Township Schools

132 New Road Tabernacle, NJ 08088

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November 8, 2017

Honorable President and  
Members of the Board of Education  
Township of Tabernacle School District  
County of Burlington, New Jersey

Dear Board of Education Members:

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings and questioned costs, is included in the single audit section of this report.

- 1. REPORTING ENTITY AND ITS SERVICES:** Tabernacle Township School district is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement 14. All funds of the District are included in this report. The Tabernacle Township Board of Education and its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels preschool disabilities through eight. These include regular education as well as special education for disabled children. The District's enrollment is 707 as of June 30, 2017. The following details the changes in the student enrollment of the District over the last ten years:

## AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>
2007/2008	880
2008/2009	896
2009/2010	873
2010/2011	870
2011/2012	828
2012/2013	819
2013/2014	797
2014/2015	763
2015/2016	770
2016/2017	709

The District is a constituent member of the Lenape Regional High School District. The District's students in grades 9-12 attend Seneca High School located in Tabernacle Township.

- ECONOMIC CONDITION AND OUTLOOK:** Tabernacle Township is a rural, residential community located in the southwestern portion of Burlington County. The Township is approximately 49.55 square miles and approximately twenty-six miles from Philadelphia. Wharton Tract covers 28.5% of the township's 30,489 acres. Tabernacle Township is located within the Pinelands Preservation area with development highly regulated. The estimated population for 2016 was 6,892 compared to 6,954 in 2015. The estimated population density in 2016 was 139.1 persons per square mile. The percent of school tax levy collected for 2017 was 100.0%. The unemployment rate for 2016 was 4.7%. The County of Burlington per capital personal income for 2015 was \$55,227.

- MAJOR INITIATIVES:**

**Statewide and District Assessments:** Students in grades K-8 are evaluated with the Measures of Academic Progress (MAP) in the areas of reading and mathematics. The MAP benchmark assessment is administered three times a year and is aligned to the Common Core State Standards (CCSS). Students in grades three through eighth were assessed using the Partnership for Assessment of Readiness for College and Careers (PARCC) for English Language Arts and Mathematics and, additionally, the New Jersey Assessment for Skills and Knowledge (NJ ASK) in grades fourth and eighth for Science. Students in fourth and eighth grades were assessed in language arts, mathematics, and science.

**Language Arts:** The District writing program continues to be in development and is based on the Lucy Calkins Writer's Workshop Model. Additional writing resources offering ideas for mini lessons have been purchased for teachers. Writing activities are correlated with the reading/literature program of each grade level. The Writers' Workshop model of instruction has been implemented district-wide in an effort to raise student achievement in Language Arts Literacy.

**Mathematics:** This program is in use in kindergarten through fifth grade. The EnVision Math program targets student understanding and meets the individual needs of students through balanced and accurately paced lessons, printed lessons, printed materials, manipulatives, and technology integration. The Progressive Mathematics Initiative (PMI) is used for math instruction in grades six through eight. Select student groups in grades seven and eight continue to use the algebra and geometry texts and syllabi from the Lenape Regional High School District. All other eighth grade students are instructed through the use of PMI.



**Science:** The elementary school continues to use the McGraw Hill Science as a resource. Grade one uses the big book format, grades two and three the single text format, and grade four the modular format. All topics were aligned with the recently revised New Jersey Core Curriculum Content Standards (NJCCCS) for science. The middle school science department is in its seventh year with Holt Science 7 Technology. The program is modular and allows for flexibility of instructional topics within the middle school grade levels. It also has an extensive technology resource component for students and instructors. Middle school science instructors also have one of the technology labs organized with Virtual Investigations. The program includes virtual experiments and student online access to the textbook. Teachers in grades 5-8 have selected IQWST units to meet the NGSS and are writing curriculum to address these standards.

**Social Studies:** Grades three, four, five, six, seven and eight are currently using the History Alive program. Call to Freedom is used as a supplemental resource by the eighth grade. In addition, current events are incorporated to provide timely and appropriate topics for classroom discussion. Grades K-2 teach social studies through the Nystrom Program, which offers a hands on approach to social studies.

**Technology:** The Tabernacle Technology Department has revamped the entire student/teacher technology platform from a Microsoft Windows environment to an Apple OS and iOS in grades K-8. This also contains a standard load set where teacher and student laptops contain identical software suites (Microsoft Office Suite, Adobe Reader, Pages, Notes, Spreadsheets, iMovie, VLC Media Player, etc.). This way, the software compatibility between students and teachers is not a concern. The administration and business side of the district are still on a Microsoft OS load set, running Windows 7 Enterprise and Microsoft Office Professional suites. We are using a Dell Kace2100 imaging management appliance for deploying the existing load set to our Microsoft OS environment along with a Dell Kace1000 for patch management. To manage the load set for the new Apple environment, two servers were installed. One server is an Apple App Caching server to house Apple Applications to deploy over the network. The second server is a Jamf Suite MDM server that controls the software, configuration and security policy that each MacBook or iPad needs in the district. This saves valuable time to our Technology Department so that we have more time to service our student, teacher and district needs. All users are assigned an individual login with user created passwords. This is controlled by a primary Microsoft Windows Active Directory Domain Controller. There is also a backup Active Directory and Domain Controller.

To manage the new, existing hardware, software and end users, we upgraded our internal network switches and infrastructure physical connectivity to a fiber backbone. Each POE switch that now in a designated IDF closet, has a dedicated connection via fiber that runs at 1GBS+ to the MDF at both schools. Both schools have a dedicated fiber connecting between the middle school and elementary school.

With our upgraded, over worked 200MEG coaxial/fiber hybrid ISP connection to a true 1GBS UP/1GBS DOWN fiber ISP connection (Which can be upgraded to higher speeds in the future), Upgraded Ruckus Zone Director wireless controller and access points (AC, BG, N) district wide, along with a new FortiNet Firewall/Content appliance, we have achieved a true robust enterprise level network. This will keep Tabernacle School's both LAN and WAN robust infrastructure speeds aligned with the ever changing, demanding end user bandwidth and ISP requirements.

Each teacher has been assigned a 13 inch MacBook Air. In grades 5-8, each student has a MacBook Air 11 inch model bringing the middle school a true 1:1 laptop environment. These laptops are housed in combination locked charging carts, in designated home rooms. The middle school students pick up their assigned MacBook Air at the beginning of the day and return them at the end of the day. Grades K - 4, have a shared environment consisting of 95 new MacBook Air 11 inch models divided into 20-25 MacBook Airs per combination locked charging cart. Additional 50 second life laptops are deployed among grades 3rd and 4<sup>th</sup> grades. Grades K-2 have 5, iPad Air 2 in each classroom. And additional 25, iPad Air 2 cart is available in the Elementary Media Center where any teacher may sign out additional iPads as needed. That totals 75 teacher MacBook Air 13 inch and 455 student MacBook Air 11 inch models.

With this new student/teacher technology platform and additional inventory, we are able to perform state enforced online assessments in a more timely and efficient matter. This is also true for district online benchmark assessment MAP.

A new STEM lab at the Middle School has been built. There are 8 Dell OptiPlex Microsoft OS workstations with upgraded software suites. This includes such software titles as Google Sketchup 2015 Pro with a free license for up to 300 simultaneous users can use the software, district wide. Adobe CS6 Suites, Maxis SimCity for the annual Future Cities competitions has been installed and receives upgrades every year free. The STEM lab also contains a SmartBoard 800 series digital white board with a HD LED projector.

All classrooms contain either a SmartBoard 800 series with a HD LED projector or the new 8 touch interactive flat SmartPanel 6000 Series 4K LED. The new Smart Panels contain HD quality sound for impressive audience attention. Most classrooms at both the middle and elementary schools contain a Sound Field or Front Row interactive sound system. This system not only assists our students with hearing concerns, but draws attention to the teacher from the student level as the teacher speaks into a wireless necklace type HD microphone. Depending on the model type, the sound is delivered through a speaker that is wall mounted or ceiling mounted. Hearing impaired students wear an ear piece to help aid their listening skills, as per their IEP or 504 plan.

The district utilizes Study Island for creating individual learning plans, based on student performance on the NWEA Measures of Academic Progress. Classes have been created for all grade levels. FastMath is also utilized as an interactive online based math learning tool for all grade levels. We have included many other online based software packages such as BrainPop, BrainPop and Reading Eggs.

Google Apps has been deployed across the district. All staff and students haven been assigned email addresses that are utilized as their Google Apps username. Email services that Google Apps offers is available for all staff. Students do not have access to their individual email at this time. This is a goal for the 2016-2017 school year; to have student email. This will be a controlled email environment based on domain level email access only. Students do have access to Google Drive, Sheets, Docs, Presentation, Sites, Photo and Sketch. These are subject to change depending on the demand of the lesson at hand. Teachers have been collaborating interactively by sharing assigned assignments. Many custom generated tests by the teachers are being accessed by the student body of each grade.

Google Vault has been set into place for e-mail recovery and quality assurance purposes. A Domain Key Identified Mail (DKIM) has been deployed to help spam filters outside of our network to authenticate sent district email. This helps other spam filters know that our email is not spam and ensures recipient receives our outgoing district domain email.

Our district wide HVAC system has been upgraded at all network, server and software levels. The new Metasys Climate Control Suite resides on a new virtual server that contains the space and processing power to run the middle and elementary school chillers, boilers, air handlers, temperature set points and humidity set points.

Our Business Office and Transportation Center run custom dedicated data base software that is also hosted on a virtual server. The Transportation Center utilizes the software title Buss Boss which provides custom routes for our buses for transportation. For purchase orders, budgeting, attendance and check printing, the Business Office utilizes the software title Systems 3000. Intuit QuickBooks Pro is used for student account activities.

Tabernacle has a redundant backup system. Daily backup of all servers are performed to another local server in another building and to the secure cloud based environment. This is part of the disaster recovery plan for technology.

**Reading/Literature:** Kindergarten through eighth grade continue to implement the use of authentic literature as one of the primary sources of instructional materials. The Tabernacle School District continues with a major literacy initiative to fully develop a well-balanced literacy program to include: 1.) a core literature component, 2.) guided reading, 3.) writer's workshop, 4.) personal choice reading, and 5.) vocabulary word study.

**Staff Development:** Staff development continues to be a District priority. Topics for presentations were based on curriculum changes, school objectives, and the District's local professional development plan. Tabernacle staff have professional development opportunities through in-service programs, Lenape Regional Consortium programs, Burlington County Curriculum Consortium programs, after-school courses, off-site professional workshops/conferences, in-house training sessions, and tuition reimbursement for college level graduate-level courses.

**World Language:** Each school has its own world language instructor. Each teacher has purchased a variety of resources based on the grade level they instruct. The elementary students use elementary level materials available like SALSA (NJ Department of Education) and the Spanish Alphabet Books (Zaner-Bloser Publishing Company). The Middle School Spanish classroom focuses on learning the language through comprehensible input and cooperative learning. Language instruction at the middle school is delivered utilizing resources associated with the Teaching Proficiency Through Reading and Storytelling (TPRS) method which allows students to learn a language using a more natural approach. The district will continue to purchase resources to enhance instruction. Select eighth grade students participate in the full year program using the text used by first year Spanish students in Seneca High School. The Spanish I students in 8<sup>th</sup> grade use !Avancemos! (Holt McDougal), ?Que tal? (Scholastic Spanish Magazine Series) and a Spanish class novel from TPRS Publishing, Inc.

**Integrated Science Technology Engineering and Mathematics (iSTEM) Program:** The school district has partnered with the College of New Jersey's Center for Excellence in iSTEM Education to successfully implement a best practice model of an integrated iSTEM program at the Kenneth R. Olson Middle School. The district is utilizing the Engineering by Design curriculum as a model for programming design challenges for students in 5<sup>th</sup> through 8<sup>th</sup> grades. The district continues to develop curriculum in the iSTEM program.

**Report Cards:** The school district completes its report cards electronically through the District's technology resources. There were no revisions to any elementary level report cards.

**Special Education Services:** The District strives to provide the least restrictive environment for its students. Approximately three quarters of the special needs students are in general education classrooms and receive their special education services through in-class support of the regular teacher assisted by a resource special education teacher. During the 2011/2012 school year the State of New Jersey Department of Education reviewed and approved the District's special education improvement plan. The District continues to meet with its Special Education Parent Advisory Group to review and improve services. This group also arranges speakers on various special educational topics for parent information sessions. The district provides preschool inclusive programming for students with disabilities and adopted the High Scope researched based early childhood curriculum, a NJDOE recognized evidenced based program.

**District Information:** Tabernacle students grades kindergarten through fourth, including an integrated preschool disabilities class, are housed in the Tabernacle Elementary School. Students in grades fifth through eighth are housed in the Kenneth R. Olson Middle School. As of July 1, 2000 the District's third school, the Tabernacle Intermediate School, was leased to the Lenape Regional High School District for use as a transition high school. After extensive renovations to the school were completed by the Lenape District, the building opened to high school students for the 2001/2002 school year. At that time the building was dedicated as Sequoia Transition High School.

The district provides full day kindergarten programming for all Tabernacle resident students. Curriculum is based on the NJDOE recommended schedule of learning and activities for a model kindergarten full day program.

The District was successfully monitored during January 2001 by the State of New Jersey Department of Education under N.J.S.A. 18A:7A-1 et seq. This resulted in certification for a period of seven years. Currently districts must comply with the New Jersey Quality Single Accountability Continuum (QSAC) which is the State's monitoring and evaluation system for public school districts to ensure that all districts are operating at a high level of performance. QSAC focuses on five key components that have been identified to be key factors in effective school districts. They are instruction and program, personnel, fiscal management, operations and governance. This process occurs every three years with districts completing a Statement of Assurances every year. This District successfully passed QSAC during the 2014/2015 school year.

The District's Long-Range Facilities Plan was revised and approved by the Board of Education at its October 10, 2005 meeting. This plan is a requirement of the Educational Facilities Construction and Financing Act, P.L. 2000, c.72, N.J.A.C. 6A:26.1.1 and the Facilities Efficiency Standards. The plan covers years October 2008 to October 2013. The district has submitted amendments and updates to the current LRFP to accommodate for future projects to be addressed in the 2015/2016 school year and beyond. Security upgrades were completed during the summer of 2015.

On March 9, 2004 the District held a bond referendum in the amount of \$11,673,195 for the replacement of the middle school roof and various upgrades to the major systems of the middle school and elementary school. The referendum was defeated. The Board of Education held another referendum on September 28, 2004 in the amount of \$9,743,980 which did receive voter approval. A second question on the ballot was defeated with a tie vote.

In February 2005 bonds were issued in the amount of \$5,673,000 with a net interest rate of 3.9713%. The projects began during the spring of 2005 with major work scheduled for the summer of 2006 and 2007. Upgrades to the district's waste water treatment plant began during the 2008/2009 school year.

During October 2013 closing took place for the refinancing of the District's 2003 and 2005 bond issues. The savings to the District was \$359,398.40. The retirement date of the bonds is in the 2024/2025 school year.

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

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to insure compliance with legal provisions embodied in the State approved annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service 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 included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments 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 1.

**7. FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**8. DEBT ADMINISTRATION:** At June 30, 2017 the District's outstanding debt issues included \$4,565,000 of general obligation bonds.

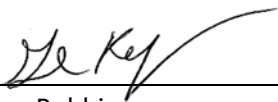
**9. CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statement", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under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

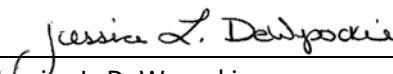
**10. RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The District is a member of the Burlington County Insurance Pool Joint Insurance Fund.

**11. OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education appointed the firm of Bowman & Company LLP as the District's auditors. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey 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 is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

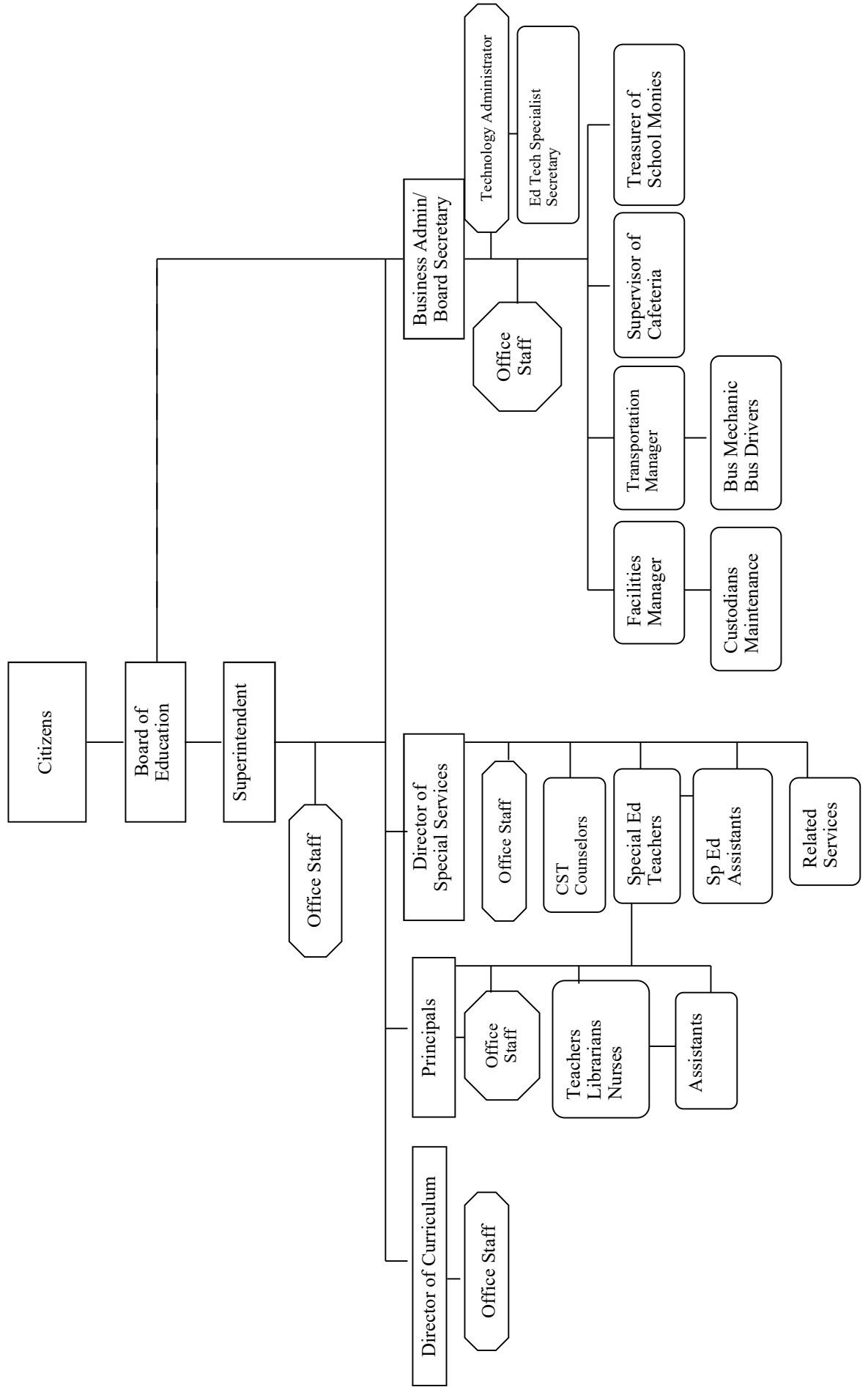
**ACKNOWLEDGMENTS:** The Tabernacle School District would not experience its successes without the support of the administration, staff, parents, and the community, but most certainly by the Tabernacle Board of Education. Not only is the Board of Education to be commended for their continued support and concern in providing fiscal accountability to the citizens and taxpayers of the School District, but the Board is recognized for its vision and desire to truly educate the students of the Township of Tabernacle for a lifetime. We express our appreciation for their dedication to the development and maintenance of the District's educational and financial operations. In addition, the preparation of this report could not have been accomplished without the efforts and accomplishments of our District administration and their staff, and especially, the Business Office staff. Their continued dedication and commitment result in the excellence that is maintained. Their efforts are acknowledged and greatly appreciated.

Respectfully submitted,

  
\_\_\_\_\_  
Glenn Robbins  
Superintendent of Schools

  
\_\_\_\_\_  
Jessica L. DeWysockie  
School Business Administrator  
Board Secretary

# TABERNACLE TOWNSHIP SCHOOL DISTRICT Organization Chart



**TABERNACLE TOWNSHIP BOARD OF EDUCATION  
132 NEW ROAD  
TABERNACLE, NEW JERSEY 08088**

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Victoria Shoemaker, President	2019
Anthony Laudicina, Vice President	2018
Gail Corey	2019
Julia Sailer	2017
Dr. Kevin McCloy	2017
Dr. Megan Jones	2017
Megan Chamberlain	2019
Brian Lepsis	2018
John Tirico	2018

**OTHER OFFICIALS**

Glenn Robbins – Superintendent  
Jessica DeWysockie – Interim Business Administrator/Board Secretary  
Karen Albanese – Treasurer of School Monies



**TABERNACLE TOWNSHIP BOARD OF EDUCATION**  
**132 New Road**  
**Tabernacle, New Jersey**

**CONSULTANTS AND ADVISORS**

**Architect**

Regan, Young, England, Butera  
456 High Street  
Mt. Holly, New Jersey 08060

**Audit Firm**

Bowman & Company LLP  
Daniel M. DiGangi, CPA, PSA  
601 White Horse Road  
Voorhees, NJ 08043

**Attorney**

Parker, McCay and Criscuolo  
Frank Cavallo  
9000 Midlantic Drive, Suite 300  
Mount Laurel, NJ 08054

**Labor Consultants**

Capehart & Scatchard  
Robert Muccilli  
8000 Midlantic Drive, Suite 300S  
Mount Laurel, NJ 08054

**Official Depositories**

TD Bank  
1701 Route 70 East  
Cherry Hill, New Jersey 08053

## FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Tabernacle School District  
County of Burlington  
Tabernacle, New Jersey 08088

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Tabernacle School District, in the County of Burlington, 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 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 from material misstatement.

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

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

**24750**

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Tabernacle School District, in the County of Burlington, State of New Jersey, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, schedule of the School District's proportionate share of the net pension liability and schedule of the School District's contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Tabernacle School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal programs are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules 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 accompanying combining statements and related major fund supporting statements and schedules and schedules 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 section and statistical section listed in the table of contents have not been subjected 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 November 8, 2017 on our consideration of the Township of Tabernacle School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Tabernacle School District's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 8, 2017

Exhibit K-1

**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  
Township of Tabernacle School District  
County of Burlington  
Tabernacle, New Jersey 08088

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and 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 Township of Tabernacle School District, in the County of Burlington, 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 School District's basic financial statements, and have issued our report thereon dated November 8, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 8, 2017

REQUIRED SUPPLEMENTARY INFORMATION  
PART I



**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited)

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The management's discussion and analysis of Tabernacle Township Public School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2017 and 2016. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

**FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2017:

- The assets of the Tabernacle Township Public School District exceeded its liabilities at the close of the most recent fiscal year by \$6,628,007 (net position).
- The School District's total net position decreased by \$286,796. This decrease is primarily attributable to the Tabernacle Township Public School District's increase in certain long-term liabilities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$2,912,019, a decrease of \$355,808 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund had a deficit of \$130,493, which is a decrease of \$127,471 in comparison with the prior year.
- The Tabernacle Township Public School District's total debt decreased by \$719,172 as a result of debt and lease payments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)**

**Government-Wide Statements**

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

The two government-wide statements report the School District's net position and how they have changed. Net position is the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources and is one way to measure the School District's financial health or position. An increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as food services.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds, not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs.

The School District has three kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.
- *Fiduciary funds* – The School District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletic and scholarship funds are maintained in this fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the School District is not permitted to use these assets in the School District operation.

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

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

**TABLE 1**  
Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
<b>Assets:</b>				
Current and Other Assets	\$ 3,666,587	\$ 3,312,165	\$ 354,422	10.70%
Capital Assets	13,407,734	13,732,184	(324,450)	-2.36%
<b>Total Assets</b>	<b>17,074,321</b>	<b>17,044,349</b>	<b>29,972</b>	<b>0.18%</b>
<b>Deferred Outflows of Resources:</b>				
Related to Pensions	1,716,604	761,810	954,794	125.33%
Deferred Loss on Refunding	274,075	308,334	(34,259)	-11.11%
<b>Total Deferred Outflows of Resources</b>	<b>1,990,679</b>	<b>1,070,144</b>	<b>920,535</b>	<b>86.02%</b>
<b>Liabilities:</b>				
Long-Term Liabilities	11,118,810	10,457,413	661,397	6.32%
Other Liabilities	267,268	236,511	30,757	13.00%
<b>Total Liabilities</b>	<b>11,386,078</b>	<b>10,693,924</b>	<b>692,154</b>	<b>6.47%</b>
<b>Deferred Inflows of Resources:</b>				
Related to Taxes	675,265		675,265	100.00%
Related to Pensions	375,650	505,767	(130,117)	-25.73%
<b>Total Deferred Inflows of Resources</b>	<b>1,050,915</b>	<b>505,767</b>	<b>545,148</b>	<b>107.79%</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	8,814,156	8,432,333	381,823	4.53%
Restricted	2,955,892	3,486,925	(531,033)	-15.23%
Unrestricted (Deficit)	(5,142,041)	(5,004,455)	(137,586)	2.75%
<b>Total Net Position</b>	<b>\$ 6,628,007</b>	<b>\$ 6,914,803</b>	<b>\$ (286,796)</b>	<b>-4.15%</b>

**TABLE 2**  
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 1,716,604	\$ 761,810	\$ 954,794	125.33%
Less: Net Pension Liability	(5,831,108)	(4,471,678)	(1,359,430)	30.40%
Less: Deferred Inflows Related to Pensions	(375,650)	(505,767)	130,117	-25.73%
	<b>\$ (4,490,154)</b>	<b>\$ (4,215,635)</b>	<b>\$ (274,519)</b>	<b>6.51%</b>

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

Table 3 reflects changes in net position for fiscal years 2017 and 2016.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 289,180	\$ 311,380	\$ (22,200)	-7.13%
Operating Grants and Contributions	4,658,988	1,761,635	2,897,353	164.47%
General Revenues:				
Property Taxes	8,103,180	7,842,111	261,069	3.33%
Grants and Contributions	5,744,399	5,826,736	(82,337)	-1.41%
Other	95,786	79,220	16,566	20.91%
<b>Total Revenues</b>	<u>18,891,533</u>	<u>15,821,082</u>	<u>3,070,451</u>	<u>19.41%</u>
<b>Expenses:</b>				
Instruction:				
Regular	3,966,302	3,757,047	209,255	5.57%
Special Education	1,327,326	1,400,173	(72,847)	-5.20%
Other Instruction	257,727	271,795	(14,068)	-5.18%
Other Special Instruction	61,813	114,835	(53,022)	-46.17%
Tuition	371,920		371,920	100.00%
Student Services:				
Student and Instruction Related	1,690,711	1,542,127	148,584	9.64%
School Administrative Services	364,311	365,927	(1,616)	-0.44%
Other Administrative Services	759,712	673,390	86,322	12.82%
Plant Operations and Maintenance	1,470,680	1,313,388	157,293	11.98%
Pupil Transportation	535,509	489,603	45,906	9.38%
Allocated and Unallocated Benefits	6,565,761	2,799,582	3,766,179	134.53%
Reimbursed TPAF Pension and Social Security	919,659	1,386,351	(466,692)	-33.66%
Interest on Long-Term Debt	161,814	231,378	(69,564)	-30.07%
Unallocated Depreciation	472,915	488,178	(15,263)	100.00%
Food Service	252,169	256,842	(4,673)	-1.82%
<b>Total Expenses</b>	<u>19,178,329</u>	<u>15,090,616</u>	<u>4,087,713</u>	<u>27.09%</u>
Increase (Decrease) in Net Position	(286,796)	730,466	(1,017,262)	(1.39)
Beginning Net Position	6,914,803	6,184,337	730,466	11.81%
Ending Net Position	<u>\$ 6,628,007</u>	<u>\$ 6,914,803</u>	<u>\$ (286,796)</u>	<u>-4.15%</u>

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

**Governmental Activities**

In 2016-2017, Governmental Activities Revenues were \$18,645,671 or 98.7% of total revenues.

In 2015-2016, Governmental Activities Revenues were \$15,558,981 or 98.3% of total revenues.

In 2016-2017, General Revenues - Property Taxes of \$8,103,180 made up 43.5%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$5,744,399 made up 30.8% of Governmental Activities Revenues.

In 2015-2016, General Revenues - Property Taxes of \$7,842,111 made up 50.4%, and General Revenues – Grants and Contributions not Restricted to Specific Programs of \$5,826,736 made up 37.5% of Governmental Activities Revenues.

In 2016-2017, the School District's Governmental Activities expenditures increased by \$4,092,386 or 27.6%.

**Business-Type Activities**

In 2016-2017, Business-Type Activities Revenues were \$245,862 or 1.3% of total revenues. In 2015-2016 Business-Type Activities Revenues were \$262,102 or 1.7% of total revenues.

Charges for Services for Business-Type Activities were \$179,437 in 2016-2017 compared to \$192,093 in 2015-2016, a 6.6% decrease.

Operating Grants and Contributions for Business-Type Activities were \$66,425 in 2016-2017 compared to \$70,008 in 2015-2016, a 5.1% decrease.

Expenses for Business-Type Activities were \$252,169 in 2016-2017 compared to \$256,842 in 2015-2016, a 1.8% decrease.

**General Fund Budgeting Highlights**

The final budgetary basis revenue estimate was \$13,085,507, which was equal to the original budget.

The 2016-2017 General Fund Tax Levy was \$7,380,663, an increase of \$272,252 or 3.8% from the 2015-2016 General Fund Tax Levy of \$7,108,411.

During fiscal year 2017, the School District budgeted \$7,380,663 for property taxes (local tax levy) and \$5,530,344 for state aid revenues.

The School District also received \$388,733 and \$1,166,230 reimbursed T.P.A.F. Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions, respectively. The Tabernacle Township Public School District's expenditures also include the reimbursed TPAF Social Security Aid and On-behalf T.P.A.F. Medical, Non-Contributory Insurance, Long-term Disability Insurance and Pension Contributions of \$388,733 and \$1,166,230 respectively.

The final budgetary basis expenditure appropriation estimate was \$14,105,526, which was \$164,264 more than the original budget.

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2017  
 (Unaudited) (Cont'd)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)**

**Financial Analysis of the Government's Funds**

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$2,912,019, a decrease of \$355,808 in comparison with the prior year.

Of the combined ending fund balances of \$2,912,019, \$130,493 constitutes unassigned fund balance deficits. The remainder of fund balance of \$3,042,512 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary fund had \$41,249 in unrestricted net position.

**CAPITAL ASSETS**

The Tabernacle Township Public School District's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$13,407,734 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and improvements, and equipment. There was a net decrease in the Tabernacle Township Public School District's investment in capital assets for the current fiscal year of 2.4%. The net decrease was the result of depreciation. Table 4 reflects the capital assets.

**TABLE 4**  
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Land Improvements	\$ 18,974	\$ 23,328
Building and Improvements	12,724,901	13,174,359
Furniture, Fixtures and Equipment	<u>663,859</u>	<u>534,497</u>
 Total Capital Assets	 <u>\$ 13,407,734</u>	 <u>\$ 13,732,184</u>

Depreciation expense was \$557,726 for fiscal year ended 2017 and \$573,348 for fiscal year ended 2016.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the Tabernacle Township Public School District had total bonded debt outstanding of \$4,565,000. The entire Tabernacle Township Public School District's bonded debt is governmental as opposed to business-type. The 2018 adopted budget has an appropriation of \$685,000 representing the payment of the annual principal. The 2013 refunding bonds will mature on September 1, 2024.

**TABERNACLE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
(Unaudited) (Cont'd)

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**FACTORS ON THE DISTRICT'S FUTURE**

For the 2016-17 school year, the Tabernacle Township Public School District was able to sustain its budget through the township tax levy, federal aid, state aid and miscellaneous revenue sources. 42.9 percent of total revenue is from local tax levy and 55.1 percent of the Tabernacle Township Public School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Tabernacle Township Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenge of the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Tabernacle Township Public School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jessica DeWysockie, Business Administrator / Board Secretary at the Tabernacle Township School District, 132 New Road, Tabernacle, New Jersey 08088.

## BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 3,201,808.92	\$ 29,607.01	\$ 3,231,415.93
Receivables, net	319,123.58	10,632.56	329,756.14
Restricted Cash and Cash Equivalents	99,076.43		99,076.43
Inventory		6,337.67	6,337.67
Capital Assets, net (Note 6)	<u>13,348,311.01</u>	<u>59,423.44</u>	<u>13,407,734.45</u>
<b>Total Assets</b>	<u>16,968,319.94</u>	<u>106,000.68</u>	<u>17,074,320.62</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	1,716,604.00		1,716,604.00
Deferred Loss on Refunding	<u>274,074.52</u>		<u>274,074.52</u>
<b>Total Deferred Outflows</b>	<u>1,990,678.52</u>	<u>-</u>	<u>1,990,678.52</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	177,924.00		177,924.00
Other	26,687.98		26,687.98
Accrued Interest	51,290.77		51,290.77
Unearned Revenue	6,036.71	5,328.24	11,364.95
Noncurrent Liabilities (Note 7):			
Due within One Year	829,831.92		829,831.92
Due beyond One Year	<u>10,288,977.56</u>		<u>10,288,977.56</u>
<b>Total Liabilities</b>	<u>11,380,748.94</u>	<u>5,328.24</u>	<u>11,386,077.18</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Taxes	675,265.00		675,265.00
Related to Pensions	<u>375,650.00</u>		<u>375,650.00</u>
<b>Total Deferred Inflows</b>	<u>1,050,915.00</u>	<u>-</u>	<u>1,050,915.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	8,754,732.81	59,423.44	8,814,156.25
Restricted for:			
Capital Projects	1,282,555.99		1,282,555.99
Other Purposes	1,673,335.93		1,673,335.93
Unrestricted (Deficit)	<u>(5,183,290.21)</u>	<u>41,249.00</u>	<u>(5,142,041.21)</u>
<b>Total Net Position</b>	<u>\$ 6,527,334.52</u>	<u>\$ 100,672.44</u>	<u>\$ 6,628,006.96</u>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2017

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 3,966,302.04	\$ 109,742.79	\$ 66,945.38		\$ (3,966,302.04)	\$ -	\$ (3,966,302.04)
Special Education	1,327,326.42				(1,150,638.25)		(1,150,638.25)
Other Special Instruction	257,726.47				(257,726.47)		(257,726.47)
Other Instruction	61,812.56				(61,812.56)		(61,812.56)
Tuition	371,920.45		179,357.00		(192,563.45)		(192,563.45)
Support Services:							
Student and Instruction Related Services	1,690,710.83		13,430.00		(1,677,280.83)		(1,677,280.83)
School Administrative Services	364,310.70				(364,310.70)		(364,310.70)
Other Administrative Services	759,712.49				(759,712.49)		(759,712.49)
Plant Operations and Maintenance	1,470,679.98				(1,470,679.98)		(1,470,679.98)
Pupil Transportation	535,509.06				(535,509.06)		(535,509.06)
Unallocated Benefits	6,565,760.81		3,395,516.00		(3,170,244.81)		(3,170,244.81)
Reimbursed TPAF Pension and Social Security	919,658.52		919,658.52		(144,158.07)		(144,158.07)
Interest on Long-Term Debt	161,814.00		17,655.93		(472,915.43)		(472,915.43)
Unallocated Depreciation	472,915.43						
<b>Total Governmental Activities</b>	<b>18,926,159.76</b>	<b>109,742.79</b>	<b>4,592,562.83</b>	<b>-</b>	<b>(14,223,854.14)</b>	<b>-</b>	<b>(14,223,854.14)</b>
<b>Business-Type Activities:</b>							
Food Service	252,168.83	179,436.98	66,425.18		-	\$ (6,306.67)	(6,306.67)
<b>Total Business-Type Activities</b>	<b>252,168.83</b>	<b>179,436.98</b>	<b>66,425.18</b>	<b>-</b>	<b>-</b>	<b>\$ (6,306.67)</b>	<b>(6,306.67)</b>
<b>Total Government</b>	<b>\$ 19,178,328.59</b>	<b>\$ 289,179.77</b>	<b>\$ 4,658,988.01</b>	<b>-</b>	<b>(14,223,854.14)</b>	<b>(6,306.67)</b>	<b>(14,230,160.81)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					7,380,663.00		7,380,663.00
Taxes Levied for Debt Service					722,517.00		722,517.00
Federal and State Aid Not Restricted					5,669,334.00		5,669,334.00
Federal and State Aid Restricted					75,065.07		75,065.07
Miscellaneous Income					95,786.13		95,786.13
<b>Total General Revenues</b>					<b>13,943,365.20</b>	<b>-</b>	<b>13,943,365.20</b>
<b>Change in Net Position</b>					<b>(280,488.94)</b>	<b>(6,306.67)</b>	<b>(286,795.61)</b>
<b>Net Position -- July 1</b>					<b>6,807,823.46</b>	<b>106,979.11</b>	<b>6,914,802.57</b>
<b>Net Position -- June 30</b>					<b>\$ 6,527,334.52</b>	<b>\$ 100,672.44</b>	<b>\$ 6,628,006.96</b>

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

FUND FINANCIAL STATEMENTS

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,201,808.92			\$ 99,076.43	\$ 3,300,885.35
Receivables, net:					
Interfund Receivable:					
Special Revenue Fund	62,775.41				62,775.41
Payroll	1,670.00				1,670.00
Unemployment	1.00				1.00
Receivables from Other Governments:					
State of NJ -- Non-Public Transportation Aid	2,849.00				2,849.00
State of NJ -- FICA	28,741.63				28,741.63
State of NJ -- Extraordinary Aid	183,597.00				183,597.00
Federal		\$ 62,407.09			62,407.09
Other Receivables	32,857.86	7,000.00			39,857.86
<b>Total Assets</b>	<b>\$ 3,514,300.82</b>	<b>\$ 69,407.09</b>	<b>-</b>	<b>\$ 99,076.43</b>	<b>\$ 3,682,784.34</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 26,093.01	\$ 594.97			\$ 26,687.98
Unearned Revenue		6,036.71			6,036.71
Interfund Payable:					
General Fund		62,775.41			62,775.41
<b>Total Liabilities</b>	<b>26,093.01</b>	<b>69,407.09</b>	<b>-</b>	<b>-</b>	<b>95,500.10</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to Taxes	615,055.25	-	-	\$ 60,209.75	675,265.00
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	\$ 1,282,555.99				1,282,555.99
Emergency Reserve	63.11				63.11
Maintenance Reserve	131,416.35				131,416.35
Excess Surplus	487,612.66				487,612.66
Excess Surplus Designated for Subsequent Year's Expenditures	1,054,243.81				1,054,243.81
Debt Service				38,866.68	38,866.68
<b>Assigned:</b>					
Other Purposes	44,070.77				44,070.77
Subsequent Year's Expenditures	3,683.19				3,683.19
Unassigned (Deficit)	(130,493.32)				(130,493.32)
<b>Total Fund Balances</b>	<b>2,873,152.56</b>	<b>-</b>	<b>-</b>	<b>38,866.68</b>	<b>2,912,019.24</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,514,300.82</b>	<b>\$ 69,407.09</b>	<b>-</b>	<b>\$ 99,076.43</b>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$26,238,816.70 and the accumulated depreciation is \$12,890,505.69.	13,348,311.01
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.	(11,118,809.48)
Deferred loss on refundings are not financial resources and therefore are not reported in the funds.	274,074.52
Accrued interest on bonds payable and capital leases is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(51,290.77)
Accounts Payable related to the April 1, 2018 Required PERS pension contribution that is not to be liquidated with current financial resources.	(177,924.00)
Deferred Outflows of Resources - Related to Pensions	1,716,604.00
Deferred Inflows of Resources - Related to Pensions	(375,650.00)
<b>Net position of governmental activities</b>	<b>\$ 6,527,334.52</b>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 7,380,663.00			\$ 722,517.00	\$ 8,103,180.00
Tuition	109,742.79				109,742.79
State Sources	7,224,296.52	\$ 264,469.09		92,721.00	7,317,017.52
Federal Sources		6,963.29			264,469.09
Miscellaneous	95,786.13				102,749.42
<b>Total Revenues</b>	<b>14,810,488.44</b>	<b>271,432.38</b>	<b>-</b>	<b>815,238.00</b>	<b>15,897,158.82</b>
<b>EXPENDITURES:</b>					
Regular Instruction	3,927,638.11				3,927,638.11
Special Education Instruction	1,249,756.19	66,945.38			1,316,701.57
Other Special Instruction	257,726.47				257,726.47
Other Instruction	61,812.56				61,812.56
Tuition	192,563.45	179,357.00			371,920.45
<b>Support Services and Undistributed Costs:</b>					
Student and Instruction Related Services	1,677,280.83	13,430.00			1,690,710.83
School Administrative Services	364,310.70				364,310.70
Other Administrative Services	728,149.27				728,149.27
Plant Operations and Maintenance	1,466,880.14				1,466,880.14
Pupil Transportation	559,231.05				559,231.05
Unallocated Benefits	2,892,709.81	11,700.00			2,904,409.81
Reimbursed TPAF Pension and Social Security	1,554,962.52				1,554,962.52
<b>Debt Service:</b>					
Principal				660,000.00	660,000.00
Interest				155,237.50	155,237.50
Capital Outlay	233,275.60				233,275.60
<b>Total Expenditures</b>	<b>15,166,296.70</b>	<b>271,432.38</b>	<b>-</b>	<b>815,237.50</b>	<b>16,252,966.58</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(355,808.26)</b>	<b>-</b>	<b>-</b>	<b>0.50</b>	<b>(355,807.76)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers To and From Capital Reserve	179,815.50	-	\$ (179,815.50)	-	-
<b>Net Change in Fund Balances</b>	<b>(175,992.76)</b>	<b>-</b>	<b>(179,815.50)</b>	<b>0.50</b>	<b>(355,807.76)</b>
<b>Fund Balance (Deficit)-- July 1</b>	<b>3,049,145.32</b>	<b>-</b>	<b>179,815.50</b>	<b>38,866.18</b>	<b>3,267,827.00</b>
<b>Fund Balance (Deficit)-- June 30</b>	<b>\$ 2,873,152.56</b>	<b>-</b>	<b>-</b>	<b>\$ 38,866.68</b>	<b>\$ 2,912,019.24</b>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2017

Total Net Change in Fund Balances - Governmental Funds		\$ (355,807.76)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (550,517.58)
Capital Outlays		<u>233,275.60</u>
		(317,241.98)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		660,000.00
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		
Amortization of Loss on Early Retirement of Debt		(34,259.32)
Amortization of Bond Sale Premiums		21,360.90
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		59,171.69
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)		6,321.92
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(42,499.39)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which the pension benefits earned exceeded School District's pension contributions in the current period.		<u>(277,535.00)</u>
Change in Net Position of Governmental Activities		<u>\$ (280,488.94)</u>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Proprietary Fund  
 Business Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2017

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 29,607.01
Accounts Receivable:	
State	395.58
Federal	8,731.52
Other	1,505.46
Inventories	<u>6,337.67</u>
Total Current Assets	<u>46,577.24</u>
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	172,764.50
Less Accumulated Depreciation	<u>(113,341.06)</u>
Total Noncurrent Assets	<u>59,423.44</u>
Total Assets	<u>106,000.68</u>
LIABILITIES:	
Current Liabilities:	
Unearned Revenue	<u>5,328.24</u>
NET POSITION:	
Net Investment in Capital Assets	59,423.44
Unrestricted	<u>41,249.00</u>
Total Net Position	<u>\$ 100,672.44</u>

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



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 96,344.80
Daily Sales - Non-Reimbursable Programs	80,512.64
Special Functions	<u>2,579.54</u>
<b>Total Operating Revenues</b>	<u>179,436.98</u>
<b>OPERATING EXPENSES:</b>	
Salaries	92,146.26
Employee Benefits	17,628.66
General Supplies	6,197.35
Depreciation	7,207.99
Administrative Fee	24,868.20
Other Purchased Services	9,153.54
Cost of Sales - Reimbursable Programs	62,871.61
Cost of Sales - Non-Reimbursable Programs	<u>32,095.22</u>
<b>Total Operating Expenses</b>	<u>252,168.83</u>
<b>Operating Income / (Loss)</b>	<u>(72,731.85)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	2,015.65
Federal Sources:	
National School Lunch Program	46,309.52
Food Distribution Program	<u>18,100.01</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>66,425.18</u>
<b>Change in Net Position</b>	(6,306.67)
<b>Net Position -- July 1</b>	<u>106,979.11</u>
<b>Net Position -- June 30</b>	<u><u>\$ 100,672.44</u></u>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 178,078.02
Payments to Employees	(92,146.26)
Payments for Employee Benefits	(17,628.66)
Payments for Supplies and Services	<u>(132,484.66)</u>
Net Cash Provided by (used for) Operating Activities	<u>(64,181.56)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	1,811.36
Federal Sources	<u>61,173.88</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>62,985.24</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,196.32)
Cash and Cash Equivalents -- July 1	<u>30,803.33</u>
Cash and Equivalents -- June 30	<u><u>\$ 29,607.01</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (72,731.85)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	7,207.99
(Increase) Decrease in Accounts Receivable	(1,364.48)
(Increase) Decrease in Inventories	2,701.26
Increase (Decrease) in Unearned Revenue	<u>5.52</u>
Total Adjustments	<u>8,550.29</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (64,181.56)</u></u>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	Private Purpose Trust Funds		Agency Funds		Total
	Scholarship Trust	Unemployment Compensation Trust	Student Activity	Payroll	
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 10,344.96	\$ 96,545.38	\$ 38,216.86	\$ 24,675.93	\$ 169,783.13
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund				5,000.55	5,000.55
<b>Total Assets</b>	<u>10,344.96</u>	<u>96,545.38</u>	<u>\$ 38,216.86</u>	<u>\$ 29,676.48</u>	<u>174,783.68</u>
<b>LIABILITIES:</b>					
Accounts Payable		6.30			6.30
Interfund Accounts Payable:					
Due General Fund		1.00		\$ 1,670.00	1,671.00
Due Payroll Fund		5,000.55			5,000.55
Payable to Student Groups			\$ 38,216.86		38,216.86
Payroll Deductions and Withholdings				28,006.48	28,006.48
<b>Total Liabilities</b>	<u>-</u>	<u>5,007.85</u>	<u>\$ 38,216.86</u>	<u>\$ 29,676.48</u>	<u>72,901.19</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 10,344.96</u>	<u>\$ 91,537.53</u>			<u>\$ 101,882.49</u>

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

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds	
	Scholarship Trust	Unemployment Compensation Trust
ADDITIONS:		
Contributions and Donations from		
Payroll Deductions Withheld		\$ 13,392.79
Scholarship Donations	\$ 1,100.00	
Total Additions	<u>1,100.00</u>	<u>13,392.79</u>
DEDUCTIONS:		
Scholarship Awards	1,500.00	
Unemployment Claims		<u>141.26</u>
Total Deductions	<u>1,500.00</u>	<u>141.26</u>
Change in Net Position	(400.00)	13,251.53
Net Position -- July 1	<u>10,744.96</u>	<u>78,286.00</u>
Net Position -- June 30	<u>\$ 10,344.96</u>	<u>\$ 91,537.53</u>

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

**TOWNSHIP OF TABERNACLE SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Tabernacle School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). 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 Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Kindergarten through eight at its two schools. The School District has an approximate enrollment at June 30, 2017 of 707.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *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.

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units.

**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment 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, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, 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, or from the general fund by way of transfers from capital outlay or the capital reserve account.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary fund:

***Food Service Fund*** - This fund accounts for the financial transactions related to the food service operations of the School District.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

***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). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

***Private-Purpose Trust Funds*** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

***Scholarship Fund*** - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

***New Jersey Unemployment Compensation Insurance Trust Fund*** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. 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, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. 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.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues 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 fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances (Cont'd)**

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

**Cash, Cash Equivalents and Investments**

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in 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 five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017. The School District had no prepaid expenses for the fiscal year ended June 30, 2017.

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

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Furniture, Fixtures and Equipment	3 - 15 Years
Buildings and Improvements	15 - 50 Years
Land Improvements	15 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

**Tax Receipts** – The school district received additional property taxes in advance of the date due to the school district. These excess receipts are deferred inflows of resources.

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**Tuition Payable**

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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 School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-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, compensated absences, special termination benefits, and contractually required pension contributions 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 governmental fund financial statements when due.

**Pensions**

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

**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

***Net Investment in Capital Assets*** - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

***Restricted*** - 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.

***Unrestricted*** - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance**

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

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

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

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

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned

**Interfund Activity**

Transfers between governmental and business-type activities on the government-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 not presented on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 77, *Tax Abatement Disclosures*. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. 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 adoption of this Statement did not have a significant impact on the basic financial statements of the School District.

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the School District for the fiscal year ending June 30, 2018:

Statement 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. Management has determined that this Statement will have an impact on the basic financial statements of the School District

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2017, the School District's bank balances of \$4,036,012.44 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 4,036,012.44
Uninsured and Uncollateralized	<u>-</u>
Total	<u>\$ 4,036,012.44</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District during the 1999-2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either 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.

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

Beginning Balance, July 1, 2016	\$ 1,101,562.67
Increased by:	
Interest Earnings	\$ 1,177.82
Deposits:	
Cancellation of local portion of EFCFA projects	<u>179,815.50</u>
	<u>180,993.32</u>
Ending Balance, June 30, 2017	<u>\$ 1,282,555.99</u>



**Note 3: CAPITAL RESERVE ACCOUNT (CON'D)**

The June 30, 2017 LRF balance of local support costs of uncompleted projects is \$8,232,471.27. Withdrawals from the capital reserve are for use for Department of Education approved facilities projects, consistent with the School District's LRF.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2017 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Intergovernmental	\$ 215,187.63	\$ 62,407.09	\$ 9,127.10	\$ 286,721.82
Other	32,857.86	7,000.00	1,505.46	41,363.32
	<u>\$ 248,045.49</u>	<u>\$ 69,407.09</u>	<u>\$ 10,632.56</u>	<u>\$ 328,085.14</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2017 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 3,831.80
Supplies	<u>2,505.87</u>
	<u>\$ 6,337.67</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2017</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Construction in Progress	\$ 21,937.50	-	\$ (21,937.50)	-
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	2,850,001.36	\$ 233,275.60	(134,184.01)	\$ 2,949,092.95
Buildings and Improvements	23,138,485.25		21,937.50	23,160,422.75
Land Improvements	129,301.00			129,301.00
Total Capital Assets, being Depreciated	<u>26,117,787.61</u>	<u>233,275.60</u>	<u>(112,246.51)</u>	<u>26,238,816.70</u>
Total Capital Assets, Cost	<u>26,139,725.11</u>	<u>233,275.60</u>	<u>(134,184.01)</u>	<u>26,238,816.70</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(2,382,135.59)	(96,705.68)	134,184.01	(2,344,657.26)
Buildings and Improvements	(9,986,063.36)	(449,458.35)		(10,435,521.71)
Land Improvements	(105,973.17)	(4,353.55)		(110,326.72)
Total Accumulated Depreciation	<u>(12,474,172.12)</u>	<u>(550,517.58)</u>	<u>134,184.01</u>	<u>(12,890,505.69)</u>
Total Capital Assets, being Depreciated, Net	<u>13,643,615.49</u>	<u>(317,241.98)</u>	<u>21,937.50</u>	<u>13,348,311.01</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,665,552.99</u>	<u>\$ (317,241.98)</u>	<u>-</u>	<u>\$ 13,348,311.01</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 172,764.50			\$ 172,764.50
Less Accumulated Depreciation	<u>(106,133.07)</u>	<u>\$ (7,207.99)</u>		<u>(113,341.06)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 66,631.43</u>	<u>\$ (7,207.99)</u>	<u>-</u>	<u>\$ 59,423.44</u>

Depreciation expense was charged to functions / programs of the School District as follows:

<b>Governmental Activities:</b>	
Instruction	\$ 6,789.39
Administration	31,563.22
Transportation	35,449.70
Plant Operations and Maintenance	3,799.84
Unallocated	472,915.43
Total Depreciation Expense - Governmental Activities	<u>\$ 550,517.58</u>
<b>Business-Type Activities:</b>	
Food Service	<u>\$ 7,207.99</u>

**Note 7: LONG-TERM LIABILITIES**

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

	<u>Balance July 1, 2016</u>	<u>Adjustments/ Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 5,225,000.00		\$ (660,000.00)	\$ 4,565,000.00	\$ 685,000.00
Unamortized Cost of Premium on Bonds	192,248.10		(21,360.90)	170,887.20	
Other Liabilities:					
Net Pension Liability	4,471,678.00	\$ 2,496,890.00	(1,137,460.00)	5,831,108.00	
Obligations under Capital Lease	190,937.21		(59,171.69)	131,765.52	60,822.17
Compensated Absences	377,549.37	75,509.88	(33,010.48)	420,048.77	84,009.75
Total Other Liabilities	<u>5,040,164.58</u>	<u>2,572,399.88</u>	<u>(1,229,642.17)</u>	<u>6,382,922.29</u>	<u>144,831.92</u>
Governmental Activity Long-Term Liabilities	<u>\$10,457,412.68</u>	<u>\$ 2,572,399.88</u>	<u>\$ (1,911,003.07)</u>	<u>\$11,118,809.49</u>	<u>\$ 829,831.92</u>

The bonds payable are generally liquidated by the debt service fund, while the net pension liability, obligations under capital lease and compensated absences are liquidated by the general fund.

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

On October 1, 2003, the School District issued \$5,335,000.00 of Refunding School Bonds to provide funding to advance refund the callable portion of the outstanding 1996 Bond Issue. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.30%. The final maturity of these bonds was September 1, 2021, however the School District refunded these bonds on October 18, 2013.

On February 1, 2005, the District issued \$5,673,000.00 of School Bonds at interest rates varying from 2.5% to 4.3%. The purpose of the Bonds is to undertake the construction of various renovations and improvements to Kenneth R. Olson Middle School and Tabernacle Elementary School in order to correct various health and safety deficiencies and make necessary offsite improvements. The final maturity of these bonds was originally February 1, 2025, however the School District refunded these bonds on October 18, 2013.

On October 18, 2013, the School District issued \$6,250,000.00 of Refunding School Bonds to provide funding to advance refund the callable portion of the outstanding 2003 and 2005 Bond Issues. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.00%. The final maturity of these bonds is September 1, 2024.

**Note 7: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Payable (Cont'd)** - Principal and interest due on bonds outstanding is as follows:

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 685,000.00	\$ 135,062.50	\$ 820,062.50
2019	705,000.00	110,687.50	815,687.50
2020	715,000.00	85,862.50	800,862.50
2021	700,000.00	64,637.50	764,637.50
2022	690,000.00	43,787.50	733,787.50
2023-2025	1,070,000.00	49,843.75	1,119,843.75
	<u>\$ 4,565,000.00</u>	<u>\$ 489,881.25</u>	<u>\$ 5,054,881.25</u>

**Obligations under Capital Lease** - The School District leases five school buses totaling \$309,285.61 under capital leases. All capital leases are for terms of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017.

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 60,822.17	\$ 3,899.12	\$ 64,721.29
2019	34,930.67	2,199.83	37,130.50
2020	36,012.68	1,117.82	37,130.50
	<u>\$ 131,765.52</u>	<u>\$ 7,216.77</u>	<u>\$ 138,982.29</u>

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Note 8: OPERATING LEASES**

At June 30, 2017, the School District had operating lease agreements in effect for copy machines, mail machines and computer equipment. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	<b><u>Amount</u></b>
2018	\$ 142,714.37
2019	127,799.37
2020	109,249.37
2021	109,249.37
	<u>\$ 489,012.48</u>

Rental payments under operating leases for the fiscal year ended June 30, 2017 were \$140,674.49.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.nj.gov/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% 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 contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*. The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 8.34% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$455,932.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$405,573.19.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.20% 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 rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 12.93% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$174,908.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$101,422.02.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2017, employee contributions totaled \$8,830.18, and the School District recognized pension expense, which equaled the required contributions, of \$1,910.52. There were no forfeitures during the fiscal year.



**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>45,035,825.00</u>
	<u>\$ 45,035,825.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. For the June 30, 2016 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2016, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0572491485%, which was an increase of .0044499116% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$3,383,816.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

**Public Employees' Retirement System** - At June 30, 2017, the School District reported a liability of \$5,831,108.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the School District's proportion was .0196882949%, which was a decrease of .0002318708% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$452,432.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 108,441.00	\$ -
Changes of Assumptions	1,207,894.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	222,345.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	375,650.00
School District Contributions Subsequent to the Measurement Date	177,924.00	-
	<u>\$ 1,716,604.00</u>	<u>\$ 375,650.00</u>

\$177,924.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30,</u></b>	
2018	\$ 241,357
2019	241,357
2020	296,276
2021	281,515
2022	102,525
	<u>\$ 1,163,030.00</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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).

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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%	Cash	5.00%	0.87%
U.S. Government Bonds	1.50%	1.28%	U.S. Treasuries	1.50%	1.74%
U.S. Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
U.S. Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
U.S. Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
U.S. High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
U.S. Equity Market	26.00%	5.14%	Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	5.91%	Developed Foreign Equities	13.25%	6.83%
Emerging Markets Equity	6.50%	8.16%	Emerging Market Equities	6.50%	9.95%
Private Real Estate Property	5.25%	3.64%	Private Equity	9.00%	12.40%
Timber	1.00%	3.86%	Hedge Funds / Absolute Return	12.50%	4.68%
Farmland	1.00%	4.39%	Real Estate (Property)	2.00%	6.91%
Private Equity	9.00%	8.97%	Commodities	0.50%	5.45%
Commodities	0.50%	2.87%	Global Debt ex U.S.	5.00%	-0.25%
Hedge Funds - MultiStrategy	5.00%	3.70%	REIT	5.25%	5.63%
Hedge Funds - Equity Hedge	3.75%	4.72%			
Hedge Funds - Distressed	3.75%	3.49%			
	<u>100.00%</u>			<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability at June 30, 2016 were 3.22% and 3.98% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. 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 for TPAF and 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 for TPAF and 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (2.22%)</b>	<b>Current Discount Rate (3.22%)</b>	<b>1% Increase (4.22%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	53,782,839.00	45,035,825.00	37,892,759.00
	<u>\$ 53,782,839.00</u>	<u>\$ 45,035,825.00</u>	<u>\$ 37,892,759.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 7,145,343.00	\$ 5,831,108.00	\$ 4,746,094.00

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS's respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**Note 10: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM**

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving postemployment 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 free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016.

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$613,090.00, \$22,214.00, \$529,352.00, and \$1,574.00, respectively.

**Note 12: 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; injuries to employees; and natural disasters.

**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 following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<b><u>Fiscal Year Ended June 30,</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Claims Incurred</u></b>	<b><u>Ending Balance</u></b>
2017	\$ 13,392.79	\$ 141.26	\$ 91,537.53
2016	12,908.69	196.13	78,286.00
2015	12,418.87	27,000.09	65,573.44

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
 Liability other than Motor Vehicles  
 Property Damage other than Motor Vehicles  
 Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds  
 General and Automobile Liability  
 Crime  
 Educators Legal Liability  
 Workers' Compensation  
 Pollution  
 Cyber Liability  
 Violent Malicious Acts

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Burlington County Municipal Joint Insurance Fund  
 P.O. Box 489  
 Marlton, New Jersey 08053

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of six deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable  
 ING Life Insurance & Annuity  
 Lincoln Investment Planning  
 MetLife  
 Vanguard  
 AIG Valic



**Note 14: 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 attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2017, the liability for compensated absences reported on the government-wide statement of net position was \$420,048.76.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 64,446.41	
Special Revenue		\$ 62,775.41
Fiduciary	<u>5,000.55</u>	<u>6,671.55</u>
	<u>\$ 69,446.96</u>	<u>\$ 69,446.96</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

	<u>Transfer In:</u>
	<b>General Fund</b>
<u>Transfer Out:</u>	
Capital Projects Fund	<u>\$ 179,815.50</u>

The purpose of transfer from the capital projects fund to the general fund was to return the remaining capital reserve funds on completed projects which were used to fund capital projects.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Litigation** - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 17: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$130,493.32 in the general 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, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The 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 an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments 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 School District deficit in the GAAP funds statements of \$130,493.32 is less than the June state aid payments.

**Note 19: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**Note 19: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)****General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 \$487,612.66. Additionally, \$1,054,243.81 of excess fund balance generated during 2015-2016 has been restricted and designated for utilization in the 2017-2018 budget.

**For Capital Reserve Account** - As of June 30, 2017, the balance in the capital reserve account is \$1,282,555.99. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2017, the balance in the maintenance reserve account is \$131,416.35. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**For Emergency Reserve** - As of June 30, 2017, the balance in the emergency reserve is \$63.11. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has \$38,866.68 of debt service fund balance at June 30, 2017.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018, \$3,683.19 of general fund balance at June 30, 2017.

**Other Purposes** - As of June 30, 2017, the School District had \$44,070.77 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**Note 19: FUND BALANCES (CONT'D)****UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2017, the general fund balance deficit of \$130,493.32 was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 7,380,663.00		\$ 7,380,663.00	7,380,663.00	
Tuition from Individuals	15,000.00		15,000.00	24,819.45	\$ 9,819.45
Tuition from Other LEA's within the State	62,500.00		62,500.00	84,923.34	22,423.34
Interest Earned on Capital Reserve Funds				1,177.82	1,177.82
Interest Earned on Emergency Reserve Funds				0.07	0.07
Interest Earned on Maintenance Reserve Funds	37,000.00		37,000.00	195.92	195.92
Rents and Royalties	60,000.00		60,000.00	57,412.32	(2,587.68)
Unrestricted Miscellaneous Revenues					
<b>Total - Local Sources</b>	<b>7,555,163.00</b>	<b>-</b>	<b>7,555,163.00</b>	<b>7,586,191.92</b>	<b>31,028.92</b>
State Sources:					
Equalization Aid	3,405,745.00		3,405,745.00	3,405,745.00	
Categorical Special Education Aid	465,120.00		465,120.00	465,120.00	
Categorical Security Aid	66,283.00		66,283.00	66,283.00	
Adjustment Aid	1,177,271.00		1,177,271.00	1,177,271.00	
Categorical Transportation Aid	337,115.00		337,115.00	337,115.00	
PARCC Readiness Aid	7,330.00		7,330.00	7,330.00	
Per Pupil Growth Aid	7,330.00		7,330.00	7,330.00	
Professional Learning Community Aid	7,150.00		7,150.00	7,150.00	
Non-Public Transportation Aid				2,849.00	2,849.00
Extraordinary Aid				183,597.00	183,597.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	57,000.00		57,000.00	388,732.52	388,732.52
On-behalf TPAF Medical Contributions (non-budgeted)				529,352.00	529,352.00
On-behalf TPAF Pension Contributions (non-budgeted)				613,090.00	613,090.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				22,214.00	22,214.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,574.00	1,574.00
<b>Total - State Sources</b>	<b>5,530,344.00</b>	<b>-</b>	<b>5,530,344.00</b>	<b>7,214,752.52</b>	<b>1,684,408.52</b>
<b>Total Revenues</b>	<b>13,085,507.00</b>	<b>-</b>	<b>13,085,507.00</b>	<b>14,800,944.44</b>	<b>1,715,437.44</b>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 273,157.00	\$ 4,942.08	\$ 278,099.08	\$ 277,364.97	\$ 734.11
Kindergarten	1,821,963.00	(8,044.40)	1,813,918.60	1,813,909.35	9.25
Grades 1 - 5	1,226,848.00	(95,089.58)	1,131,758.42	1,131,373.66	384.76
Grades 6 - 8					
Regular Programs - Home Instruction:					
Salaries of Teachers	12,000.00	(5,560.00)	6,440.00	3,332.74	3,107.26
Purchased Professional/Educational Services	266.00	10,500.00	10,766.00	8,305.24	2,460.76
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	31,881.00	4,428.14	36,309.14	35,414.88	894.26
Purchased Professional/Educational Services	23,250.00	103,835.35	127,085.35	126,750.48	334.87
Other Purchased Services	267,700.00	8,450.00	276,150.00	276,086.78	63.22
General Supplies	254,520.92	(27,030.00)	227,490.92	227,490.33	0.59
Textbooks	31,500.00	(3,500.00)	28,000.00	27,509.68	490.32
Other Objects	500.00		500.00	100.00	400.00
<b>Total Regular Programs</b>	<b>3,943,585.92</b>	<b>(7,068.41)</b>	<b>3,936,517.51</b>	<b>3,927,638.11</b>	<b>8,879.40</b>
<b>Special Education:</b>					
Learning and/or Language Disabilities:					
Salaries of Teachers	100,073.00	(38,755.78)	61,317.22	58,969.00	2,348.22
Other Salaries for Instruction	46,158.00	4,344.08	50,502.08	48,661.23	1,840.85
Purchased Professional/Educational Services		19,777.20	19,777.20	19,156.43	620.77
General Supplies	1,500.00	(17.13)	1,482.87	1,175.06	307.81
<b>Total - Learning and/or Language Disabilities</b>	<b>147,731.00</b>	<b>(14,651.63)</b>	<b>133,079.37</b>	<b>127,961.72</b>	<b>5,117.65</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	64,207.00	837.64	65,044.64	62,580.87	2,463.77
Other Salaries for Instruction	125,238.00	(5,316.81)	119,921.19	117,549.65	2,371.54
Purchased Professional/Educational Services		10,150.00	10,150.00	3,988.76	6,161.24
General Supplies	1,500.00	(61.07)	1,438.93	1,438.93	
<b>Total - Multiple Disabilities</b>	<b>190,945.00</b>	<b>5,609.76</b>	<b>196,554.76</b>	<b>185,558.21</b>	<b>10,996.55</b>
<b>Resource Room/Center:</b>					
Salaries of Teachers	625,631.00	132,938.42	758,569.42	731,379.60	27,189.82
Other Salaries for Instruction	33,250.00	(11,800.00)	21,450.00	19,555.00	1,895.00
Purchased Professional/Educational Services		36,743.05	36,743.05	34,105.88	2,637.17
General Supplies	4,300.00		4,300.00	4,175.42	124.58
<b>Total - Resource Room/Center</b>	<b>663,181.00</b>	<b>157,881.47</b>	<b>821,062.47</b>	<b>789,215.90</b>	<b>31,846.57</b>



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 97,280.00	\$ (2,767.60)	\$ 94,512.40	\$ 88,825.24	\$ 5,687.16
Other Salaries for Instruction	52,799.00	51.11	52,850.11	51,151.46	1,698.65
Purchased Professional/Educational Services	1,500.00	7,500.00	7,500.00	5,065.46	2,434.54
General Supplies		478.20	1,978.20	1,978.20	
<b>Total - Preschool Disabilities - Part-Time</b>	<b>151,579.00</b>	<b>5,261.71</b>	<b>156,840.71</b>	<b>147,020.36</b>	<b>9,820.35</b>
<b>Total - Special Education</b>	<b>1,153,436.00</b>	<b>154,101.31</b>	<b>1,307,537.31</b>	<b>1,249,756.19</b>	<b>57,781.12</b>
<b>Basic Skills/Remedial:</b>					
Salaries of Teachers	337,774.00	(84,270.94)	253,503.06	249,056.41	4,446.65
Purchased Professional/Educational Services	2,000.00	9,164.40	9,164.40	6,908.91	2,255.49
General Supplies		2,000.00	2,000.00	1,761.15	238.85
<b>Total - Basic Skills/Remedial</b>	<b>339,774.00</b>	<b>(75,106.54)</b>	<b>264,667.46</b>	<b>257,726.47</b>	<b>6,940.99</b>
<b>Bilingual Education:</b>					
General Supplies	500.00	-	500.00	-	500.00
<b>School Sponsored Cocurricular Activities - Instruction:</b>					
Salaries	57,389.00	(7,294.34)	50,094.66	20,094.66	30,000.00
Purchased Services (300-500 series)	2,500.00		2,500.00		2,500.00
Supplies and Materials	1,500.00		1,500.00	1,382.11	117.89
Other Objects	500.00		500.00	275.00	225.00
<b>Total - School Sponsored Cocurricular Activities - Instruction</b>	<b>61,889.00</b>	<b>(7,294.34)</b>	<b>54,594.66</b>	<b>21,751.77</b>	<b>32,842.89</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	40,035.00	12,186.09	52,221.09	32,221.09	20,000.00
Purchased Services (300-500 series)	5,000.00	(350.00)	4,650.00	4,385.00	265.00
Supplies and Materials	3,500.00		3,500.00	3,379.70	120.30
Other Objects	750.00	(650.00)	100.00	75.00	25.00
<b>Total - School Sponsored Athletics - Instruction</b>	<b>49,285.00</b>	<b>11,186.09</b>	<b>60,471.09</b>	<b>40,060.79</b>	<b>20,410.30</b>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs within State-Regular	27,276.50	5,078.00	32,354.50	32,201.47	153.03
Tuition to CSSD & Reg. Day Schools	177,000.00	70,852.00	70,852.00	70,852.00	
Tuition to Private School for the Disabled within State		(84,721.65)	92,278.35	89,509.98	2,768.37
<b>Total Undistributed Expenditures - Instruction</b>	<b>204,276.50</b>	<b>(8,791.65)</b>	<b>195,484.85</b>	<b>192,563.45</b>	<b>2,921.40</b>
<b>Total - Instruction</b>	<b>5,752,746.42</b>	<b>67,026.46</b>	<b>5,819,772.88</b>	<b>5,689,496.78</b>	<b>130,276.10</b>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures:					
Attendance and Social Work:					
Salaries	\$ 35,650.00	\$ 512.97	\$ 36,162.97	\$ 36,162.97	-
Health Services:					
Salaries	161,340.00	5,300.83	166,640.83	165,849.52	\$ 791.31
Purchased Professional and Technical Services	8,500.00	10,350.00	18,850.00	6,466.72	12,383.28
Other Purchased Services	1,000.00	(200.00)	800.00	753.26	46.74
Supplies and Materials	7,700.00	(3,650.00)	4,050.00	3,775.39	274.61
Total Health Services	178,540.00	11,800.83	190,340.83	176,844.89	13,495.94
Speech, OT, PT & Related Services:					
Salaries	156,552.00	(37,073.41)	119,478.59	118,949.69	528.90
Purchased Professional - Educational Services	50,000.00	53,700.00	103,700.00	101,596.54	2,103.46
Supplies and Materials	3,000.00		3,000.00	2,685.01	314.99
Total Speech, OT, PT & Related Services	209,552.00	16,626.59	226,178.59	223,231.24	2,947.35
Other Support Services-Students-Related Services:					
Salaries	154,388.00	3,999.10	158,387.10	157,762.10	625.00
Purchased Professional - Educational Services	51,645.00	66,373.75	118,018.75	113,500.00	4,518.75
Total - Other Support Services-Students-Related Services	206,033.00	70,372.85	276,405.85	271,262.10	5,143.75
Guidance:					
Salaries of Other Professional Staff	167,818.00	(3,529.85)	164,288.15	164,288.15	-
Child Study Teams:					
Salaries of Other Professional Staff	226,483.00	(33,646.72)	192,836.28	188,288.53	4,547.75
Salaries of Secretarial and Clerical Assistants	53,984.00	(7,000.00)	46,984.00	46,058.88	925.12
Purchased Professional - Educational Services	48,000.00	(3,200.00)	44,800.00	31,238.12	13,561.88
Other Purchased Services (400-500 series)	5,000.00	(4,200.00)	800.00	740.00	60.00
Supplies and Materials	7,000.00		7,000.00	6,903.79	96.21
Other Objects	2,950.00	(973.75)	1,976.25	1,960.00	16.25
Total Other Support Services - Students - Regular	343,417.00	(49,020.47)	294,396.53	275,189.32	19,207.21

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Secretary and Clerical Assistants	\$ 46,579.00		\$ 46,579.00	\$ 46,153.92	\$ 425.08
Other Salaries	100,280.00		100,280.00	99,954.92	325.08
Purchased Professional - Educational Services	47,500.00		47,500.00	38,254.50	9,245.50
Other Purchased Services	500.00		500.00	175.00	325.00
Supplies and Materials	20,000.00	\$ (508.35)	19,491.65	12,205.83	7,285.82
Other Objects	3,500.00		3,500.00	2,238.00	1,262.00
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>218,359.00</b>	<b>(508.35)</b>	<b>217,850.65</b>	<b>198,982.17</b>	<b>18,868.48</b>
<b>Educational Media Services/School Library:</b>					
Salaries	225,870.00	(26,632.06)	199,237.94	198,762.55	475.39
Salaries of Technology Coordinators	70,040.00		70,040.00	67,999.92	2,040.08
Purchased Professional and Technical Services	7,200.00	25,500.00	25,500.00	25,373.98	126.02
Other Purchased Services	29,840.04	1,400.00	7,200.00	6,764.30	435.70
Supplies and Materials		700.00	31,240.04	30,647.24	592.80
Other Objects			700.00	695.00	5.00
<b>Total Educational Media Services/School Library</b>	<b>332,950.04</b>	<b>967.94</b>	<b>333,917.98</b>	<b>330,242.99</b>	<b>3,674.99</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional- Educational Services	4,600.00	-	4,600.00	1,077.00	3,523.00
<b>Support Services General Administration:</b>					
Salaries	205,200.00	(38,794.71)	166,405.29	166,404.37	0.92
Legal Services	38,170.00	(7,000.00)	31,170.00	25,660.96	5,509.04
Audit Fees	21,250.00		21,250.00	20,690.00	560.00
Architectural / Engineering Services	24,000.00	(5,558.99)	18,441.01	15,647.79	2,793.22
Other Purchased Professional Services	30,000.00	23,800.00	53,800.00	52,730.81	1,069.19
BOE Other Purchased Services	58,000.00	7,723.99	65,723.99	64,746.59	977.40
Miscellaneous Purchased Services	2,400.00		2,400.00	1,599.00	801.00
General Supplies	14,000.00	(5,865.00)	8,135.00	6,622.52	1,512.48
BOE In-House Training/Meeting Supplies	2,000.00	2,000.00	4,000.00	3,482.53	517.47
Judgements Against the School District	200.00	3,500.00	3,700.00	164.00	3,536.00
Miscellaneous Expenditures	50,000.00		50,000.00	47,125.00	2,875.00
BOE Membership Dues and Fees	3,600.00	1,200.00	4,800.00	4,501.22	298.78
	9,000.00		9,000.00	7,748.52	1,251.48
<b>Total Support Services General Administration</b>	<b>457,820.00</b>	<b>(18,994.71)</b>	<b>438,825.29</b>	<b>417,123.31</b>	<b>21,701.98</b>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 241,768.00	\$	\$ 241,768.00	\$ 241,564.63	\$ 203.37
Salaries of Other Professionals Staff	24,739.75	(10.25)	24,739.75	24,739.75	946.58
Salaries of Secretarial and Clerical Assistants	77,224.00	9,557.53	86,781.53	85,834.95	862.70
Purchased Professional and Technical Services		9,000.00	9,000.00	8,137.30	950.00
Other Purchased Services	1,100.00		1,100.00	150.00	2,655.93
Supplies and Materials	5,500.00	(600.00)	4,900.00	2,244.07	860.00
Other Objects	3,500.00	(1,000.00)	2,500.00	1,640.00	
<b>Total Support Services School Administration</b>	<b>353,842.00</b>	<b>16,947.28</b>	<b>370,789.28</b>	<b>364,310.70</b>	<b>6,478.58</b>
Central Services:					
Salaries	210,936.00	2,363.87	213,299.87	212,527.60	772.27
Unused Vacation Payment to Terminated/Retired Staff		3,200.00	3,200.00	3,166.58	33.42
Purchased Technical Services	34,000.00	(5,600.00)	28,400.00	28,137.09	262.91
Miscellaneous Purchased Services	600.00	810.00	1,410.00	1,176.16	233.84
Supplies and Materials	2,500.00	1,425.00	3,925.00	3,873.55	51.45
Miscellaneous Expenditures	1,200.00	(810.00)	390.00	358.00	32.00
<b>Total Central Services</b>	<b>249,236.00</b>	<b>1,388.87</b>	<b>250,624.87</b>	<b>249,238.98</b>	<b>1,385.89</b>
Administration of Information Technology:					
Purchased Technical Services	900.00	12,480.00	12,480.00	12,479.98	0.02
Other Purchased Services		900.00	900.00	231.00	669.00
Supplies and Materials	1,250.00	(1,250.00)			
<b>Total Administration of Information Technology</b>	<b>2,150.00</b>	<b>11,230.00</b>	<b>13,380.00</b>	<b>12,710.98</b>	<b>669.02</b>
Required Maintenance for School Facilities:					
Salaries	185,133.00	(13,079.91)	172,053.09	172,053.09	0.54
Unused Vacation Payment to Terminated/Retired Staff	66,778.00	5,607.00	5,607.00	5,606.46	23,544.83
Cleaning, Repair & Maintenance Services	59,600.00	228,654.09	295,432.09	271,887.26	5,875.20
General Supplies		(23,966.69)	35,633.31	29,758.11	
<b>Total - Required Maintenance for School Facilities</b>	<b>311,511.00</b>	<b>197,214.49</b>	<b>508,725.49</b>	<b>479,304.92</b>	<b>29,420.57</b>
Custodial Services:					
Salaries	426,307.00	(25,062.45)	401,244.55	398,232.05	3,012.50
Purchased Professional and Technical Services	29,395.00	(1,500.00)	27,895.00	18,061.00	9,834.00
Cleaning, Repair, and Maintenance Services	11,700.00		11,700.00	8,437.20	3,262.80
Other Purchased Property Services	3,024.00		3,024.00	2,264.50	759.50
Insurance	72,000.00	7,850.00	79,850.00	79,802.96	47.04
Miscellaneous Purchased Services	3,895.00	(500.00)	3,395.00	770.00	2,625.00
General Supplies	66,963.00	(9,547.03)	57,415.97	49,964.59	7,451.38
Energy (Natural Gas)	135,000.00	(24,139.33)	110,860.67	84,087.21	26,773.46
Energy (Electricity)	264,000.00	144.23	264,144.23	264,144.23	
<b>Total - Custodial Services</b>	<b>1,012,284.00</b>	<b>(52,754.58)</b>	<b>959,529.42</b>	<b>905,763.74</b>	<b>53,765.68</b>

(Continued)

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Care and Upkeep of Grounds	\$ 11,485.00	\$ (4,802.97)	\$ 6,682.03	\$ 2,694.00	\$ 3,988.03
Purchased Professional and Technical Service	18,600.00		18,600.00	16,198.50	2,401.50
Cleaning, Repair, and Maintenance Services	11,800.00		11,800.00	9,811.90	1,988.10
General Supply					
<b>Total - Care and Upkeep of Grounds</b>	<b>41,885.00</b>	<b>(4,802.97)</b>	<b>37,082.03</b>	<b>28,704.40</b>	<b>8,377.63</b>
Security:					
Salaries	61,350.00	(14,898.60)	46,451.40	46,368.24	83.16
Purchased Professional and Technical Service	5,000.00		5,000.00	239.16	4,760.84
Cleaning, Repair, and Maintenance	5,500.00	(1,628.55)	3,871.45	250.50	3,620.95
General Supplies	2,100.00	(2,000.00)	100.00		100.00
<b>Total Security</b>	<b>73,950.00</b>	<b>(18,527.15)</b>	<b>55,422.85</b>	<b>46,857.90</b>	<b>8,564.95</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>1,439,630.00</b>	<b>121,129.79</b>	<b>1,560,759.79</b>	<b>1,460,630.96</b>	<b>100,128.83</b>
Student Transportation Services:					
Salaries of Non- Instructional Aides	44,359.00	(41,012.50)	3,346.50	2,953.57	392.93
Salaries for Pupil Transportation (Between Home & School) - Regular	282,276.00	21,550.54	303,826.54	302,826.54	1,000.00
Salaries for Pupil Transportation (Between Home & School) - Special	16,000.00	(3,458.14)	12,541.86	11,541.86	1,000.00
Salaries for Pupil Transportation (Other than Between Home & School)	5,000.00	6,793.62	11,793.62	11,793.62	
Management Fee - ESC & CTSA Programs	500.00		500.00	158.63	341.37
Other Purchased Professional and Technical Services	3,500.00		3,500.00	3,455.50	44.50
Cleaning, Repair, and Maintenance Services	44,375.00	(2,000.00)	42,375.00	30,500.27	11,874.73
Lease Purchase Payments - School Bused	47,173.00		47,173.00	47,172.00	1.00
AIL for Non-Public	12,660.00		12,660.00	3,172.57	9,487.43
Contr. Sev (Oth. Than Bet home & Sch)	550.00		550.00		550.00
Contract Services (Special Ed.)	12,000.00	8,000.00	20,000.00	18,388.80	1,611.20
Contracted Services (Regular Students) - ESC's and CTSA's	30,000.00		30,000.00	23,338.79	6,661.21
Contracted Services (Special Education Students) - ESC's and CTSA's	10,000.00	(500.00)	9,500.00		9,500.00
Miscellaneous Purchased Services - Transportation	1,500.00		1,500.00	1,360.00	140.00
General Supplies	500.00	(500.00)			
Transportation Supplies	130,500.00	(24,475.00)	106,025.00	100,675.90	5,349.10
Other Objects	1,000.00	1,114.03	2,114.03	1,893.00	221.03
<b>Total Student Transportation Services</b>	<b>641,893.00</b>	<b>(34,487.45)</b>	<b>607,405.55</b>	<b>559,231.05</b>	<b>48,174.50</b>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	200,000.00		200,000.00	196,992.35	3,007.65
Other Retirement Contributions - PERS	210,000.00	(11,000.00)	199,000.00	176,260.00	22,740.00
Workmen's Compensation	90,000.00	(6,000.00)	84,000.00	83,531.00	469.00
Health Benefits	2,495,140.00	(263,208.57)	2,231,931.43	2,184,793.76	47,137.67
Tuition Reimbursement	59,500.00		59,500.00	32,008.95	27,491.05
Other Employee Benefits	233,310.00	(71,791.43)	161,518.57	159,726.25	1,792.32
Unused Sick Payment to Terminated/Retired Staff		70,801.00	70,801.00	59,397.50	11,403.50
<b>Total unallocated Benefits - Employee Benefits</b>	<b>3,287,950.00</b>	<b>(281,199.00)</b>	<b>3,006,751.00</b>	<b>2,892,709.81</b>	<b>114,041.19</b>

(Continued)

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENSE (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
TPAF Contributions:					
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				\$ 388,732.52	\$ (388,732.52)
On-behalf TPAF Medical Contributions (non-budgeted)				529,352.00	(529,352.00)
On-behalf TPAF Pension Contributions (non-budgeted)				613,090.00	(613,090.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				22,214.00	(22,214.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				1,574.00	(1,574.00)
Total TPAF Contributions	-	-	-	1,554,962.52	(1,554,962.52)
Total Undistributed Expenses	\$ 8,333,716.54	\$ (145,554.36)	\$ 8,188,162.18	9,380,762.59	(1,192,600.41)
Total Expenditures - Current Expense	13,882,186.46	(69,736.25)	13,812,450.21	14,877,695.92	(1,065,245.71)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 6-8	10,000.00	(2,500.00)	7,500.00	3,900.18	3,599.82
Undistributed Expended - Support Services - Inst. Staff		2,500.00	2,500.00	2,349.00	151.00
School Buses - Regular		234,000.00	234,000.00	233,275.60	724.40
Total - Equipment	10,000.00	234,000.00	244,000.00	239,524.78	4,475.22
Assessment for Debt Service on SDA Funding	49,076.00	-	49,076.00	49,076.00	-
Total Capital Outlay	59,076.00	234,000.00	293,076.00	288,600.78	4,475.22
Total Expenditures	13,941,262.46	164,263.75	14,105,526.21	15,166,296.70	(1,060,770.49)

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (855,755.46)	\$ (164,263.75)	\$ (1,020,019.21)	\$ (365,352.26)	\$ (654,666.95)
Other Financing Sources (Uses):	-	-	-	179,815.50	(179,815.50)
Cancellation of Capital Projects Transferred to Capital Reserve					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(855,755.46)	(164,263.75)	(1,020,019.21)	(185,536.76)	834,482.45
Fund Balances, July 1	3,590,855.32	-	3,590,855.32	3,590,855.32	-
Fund Balances, June 30	2,735,099.86	(164,263.75)	2,570,836.11	3,405,318.56	834,482.45
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Excess Surplus				\$ 487,612.66	
Excess Surplus -- Designated for Subsequent Year's Expenditures				1,054,243.81	
Emergency Reserve				63.11	
Capital Reserve				1,282,555.99	
Maintenance Reserve				131,416.35	
Assigned Fund Balance:					
Other Purposes				44,070.77	
Designated for Subsequent Year's Expenditures				3,683.19	
Unassigned Fund Balance				401,672.68	
Reconciliation to Governmental Funds Statements (GAAP):				3,405,318.56	
Last State Aid Payment Not Recognized on GAAP Basis				(532,166.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,873,152.56	

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Local Sources:					
Toshiba Grant	\$ 45,718.00	1,000.00	1,000.00	997.91	\$ 2.09
Tabernacle Education Foundation Grant	21,440.00	2,000.00	2,000.00	1,996.06	3.94
Sustainable Jersey Small School Grant	168,072.00	10,000.00	10,000.00	7,848.45	2,151.55
Total - Local Sources	-	13,000.00	13,000.00	10,842.42	2,157.58
Federal Sources:					
Title I, Part A	\$ 45,718.00	17,900.00	63,618.00	63,539.95	78.05
Title II, Part A	21,440.00	(9,325.00)	12,115.00	12,115.00	
Title III	168,072.00	1,935.00	1,935.00	1,935.00	
I.D.E.A., Part B, Basic	-	11,385.00	179,457.00	179,357.00	100.00
I.D.E.A., Part B, Preschool	-	8,065.00	8,065.00	7,522.14	542.86
Total - Federal Sources	235,230.00	29,960.00	265,190.00	264,469.09	720.91
<b>Total Revenues</b>	<b>\$ 235,230.00</b>	<b>\$ 42,960.00</b>	<b>\$ 278,190.00</b>	<b>\$ 275,311.51</b>	<b>\$ 2,878.49</b>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 32,338.49	18,275.51	50,614.00	50,614.00	
Tuition	167,978.34	11,378.66	179,357.00	179,357.00	
General Supplies	5,065.16	18,023.84	23,089.00	20,210.51	\$ 2,878.49
Total Instruction	205,381.99	47,678.01	253,060.00	250,181.51	2,878.49
Support Services:					
Personal Services - Employee Benefits	8,408.01	3,291.99	11,700.00	11,700.00	
Purchased Professional - Educational Services	21,440.00	(17,440.00)	4,000.00	4,000.00	
Other Purchased Services	-	5,310.00	5,310.00	5,310.00	
Supplies and Materials	-	4,120.00	4,120.00	4,120.00	
Total Support Services	29,848.01	(4,718.01)	25,130.00	25,130.00	-
<b>Total Expenditures</b>	<b>\$ 235,230.00</b>	<b>\$ 42,960.00</b>	<b>\$ 278,190.00</b>	<b>\$ 275,311.51</b>	<b>\$ 2,878.49</b>



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 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>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 14,800,944.44	\$ 275,311.51
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(3,879.13)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2016.	541,710.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2017.	<u>(532,166.00)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 14,810,488.44</u></u>	<u><u>\$ 271,432.38</u></u>
 <b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 15,166,296.70	\$ 275,311.51
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(3,879.13)</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>	<u><u>\$ 15,166,296.70</u></u>	<u><u>\$ 271,432.38</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Four Plan Years

	<u>Measurement Date Ending June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0196882949%	0.0199201657%	0.0207264664%	0.0230472074%
School District's Proportionate Share of the Net Pension Liability	\$ 5,831,108.00	\$ 4,471,678.00	\$ 3,880,561.00	\$ 4,404,779.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,406,200.00	\$ 1,528,200.00	\$ 1,502,512.00	\$ 1,589,872.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	414.67%	292.61%	258.27%	277.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Four Plan Years

	<b>Fiscal Year Ended June 30,</b>			
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 177,924.00	\$ 174,908.00	\$ 171,260.00	\$ 170,866.00
Contributions in Relation to the Contractually Required Contribution	<u>(177,924.00)</u>	<u>(174,908.00)</u>	<u>(171,260.00)</u>	<u>(170,866.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,376,373.00	\$ 1,408,876.00	\$ 1,340,477.00	\$ 1,387,013.00
Contributions as a Percentage of School District's Covered Payroll	12.93%	12.41%	12.78%	12.32%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information  
 for those years for which information is available.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Four Plan Years

	<b>Measurement Date Ending June 30,</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the School District's Net Pension Liability	<u>\$ 45,035,825.00</u>	<u>\$ 33,371,372.00</u>	<u>\$ 29,985,708.00</u>	<u>\$ 28,836,785.00</u>
	<u>\$ 45,035,825.00</u>	<u>\$ 33,371,372.00</u>	<u>\$ 29,985,708.00</u>	<u>\$ 28,836,785.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 6,750,468.00	\$ 6,774,808.00	\$ 6,160,916.00	\$ 6,590,036.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	667.15%	492.58%	486.71%	437.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, this presentation will only include information  
 for those years for which information is available.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of the School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

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

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2017

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

OTHER SUPPLEMENTARY INFORMATION



SPECIAL REVENUE FUND

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	N.C.L.B.			I.D.E.A. Part B			Total Brought Forward
	Total	Title I, Part A	Title II, Part A	Title III	Basic	Preschool	
<b>REVENUES:</b>							
Federal Sources	\$ 264,469.09	\$ 63,539.95	\$ 12,115.00	\$ 1,935.00	\$ 179,357.00	\$ 7,522.14	\$ 10,842.42
Local Sources	<u>10,842.42</u>						
<b>Total Revenues</b>	<u>\$ 275,311.51</u>	<u>\$ 63,539.95</u>	<u>\$ 12,115.00</u>	<u>\$ 1,935.00</u>	<u>\$ 179,357.00</u>	<u>\$ 7,522.14</u>	<u>\$ 10,842.42</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 50,614.00	\$ 45,000.00			\$ 5,614.00		
Tuition	179,357.00				179,357.00		
General Supplies	20,210.51	6,839.95		\$ 620.00		1,908.14	\$ 10,842.42
<b>Total Instruction</b>	<u>250,181.51</u>	<u>51,839.95</u>	<u>-</u>	<u>620.00</u>	<u>179,357.00</u>	<u>7,522.14</u>	<u>10,842.42</u>
Support Services:							
Personal Services - Employee Benefits	11,700.00	11,700.00					
Purchased Professional - Educational Services	4,000.00		\$ 4,000.00				
Other Purchased Services	5,310.00		3,995.00	1,315.00			
Supplies and Materials	4,120.00		4,120.00				
<b>Total Support Services</b>	<u>25,130.00</u>	<u>11,700.00</u>	<u>12,115.00</u>	<u>1,315.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 275,311.51</u>	<u>\$ 63,539.95</u>	<u>\$ 12,115.00</u>	<u>\$ 1,935.00</u>	<u>\$ 179,357.00</u>	<u>\$ 7,522.14</u>	<u>\$ 10,842.42</u>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	<u>Total</u>	<u>Toshiba</u>	<u>Tabernacle</u>	<u>Sustainable</u>
	<u>Carried</u>	<u>Grant</u>	<u>Education</u>	<u>Jersey Small</u>
	<u>Forward</u>	<u></u>	<u>Foundation Grant</u>	<u>School Grant</u>
<b>REVENUES:</b>				
Federal Sources	\$ 10,842.42	\$ 997.91	\$ 1,996.06	\$ 7,848.45
Local Sources				
<b>Total Revenues</b>	<u>\$ 10,842.42</u>	<u>\$ 997.91</u>	<u>\$ 1,996.06</u>	<u>\$ 7,848.45</u>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers				
Tuition	\$ 10,842.42	\$ 997.91	\$ 1,996.06	\$ 7,848.45
General Supplies				
<b>Total Instruction</b>	<u>10,842.42</u>	<u>997.91</u>	<u>1,996.06</u>	<u>7,848.45</u>
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional - Educational Services				
Other Purchased Services				
Supplies and Materials				
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 10,842.42</u>	<u>\$ 997.91</u>	<u>\$ 1,996.06</u>	<u>\$ 7,848.45</u>

CAPITAL PROJECTS FUND

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2017

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2017
			Prior Years	Current Year	
Tabernacle Elementary School Generator State Project # 5130-060-14-1003-G04	7/1/2015	\$ 336,255.00	21,937.50	-	-
Transferred to General Fund -- Capital Reserve Cancellation of SDA Grants				\$ 179,815.50	
				134,502.00	
				<u>\$ 314,317.50</u>	

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2017

<b>Revenues and Other Financing Sources</b>		
State Sources--SDA Grant		
Bond Proceeds and Transfers		
Transfer from Capital Reserve		
 Total Revenues		-
<b>Expenditures and Other Financing Uses</b>		
Purchased Professional and Technical Services		
Miscellaneous		
Construction Services		
General Supplies		
Other Objects		
 Total Expenditures		-
<b>Other Financing Uses:</b>		
Cancellation of SDA Grant	\$ 134,502.00	
Transfer to General Fund -- Capital Reserve	179,815.50	
 Total Other Financing Uses		\$ 314,317.50
 Total Expenditures and Other Financing Uses		314,317.50
 Excess (Deficiency) of Revenues Over (Under) Expenditures		(314,317.50)
 Fund Balance -- July 1		314,317.50
 Fund Balance -- June 30		-
 <b>Reconciliation to Governmental Funds Statements (GAAP):</b>		
Fund Balance as of June 30, 2017		-
SDA Grant Revenue Not Recognized on GAAP Basis		
 Fund Balance per Governmental Funds (GAAP)		-

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Note: For F-2 Exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Tabernacle Elementary School Generator  
 For the Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant	\$ 134,502.00	\$ (134,502.00)		
Bond Proceeds and Transfers				
Transfer from Capital Reserve	201,753.00		\$ 201,753.00	\$ 201,753.00
<b>Total Revenues</b>	<u>336,255.00</u>	<u>(134,502.00)</u>	<u>201,753.00</u>	<u>201,753.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	21,937.50		21,937.50	21,937.50
Miscellaneous				
Construction Services				
General Supplies				
Other Objects				
Transfer to General Fund -- Capital Reserve		179,815.50	179,815.50	179,815.50
Transfer to Debt Service Fund				
<b>Total Expenditures</b>	<u>21,937.50</u>	<u>179,815.50</u>	<u>201,753.00</u>	<u>201,753.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 314,317.50</u>	<u>\$ (314,317.50)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	5130-060-14-1003-G04
Grant Date	1/6/2014
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 336,255.00
Additional Authorized Cost	\$ (134,502.00)
Revised Authorized Cost	\$ 201,753.00
Percentage Increase over Original Authorized Cost	-40%
Percentage Completion	100%
Original Target Completion Date	8/30/2017
Revised Target Completion Date	6/30/2017

PROPRIETARY FUNDS



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Proprietary Fund  
 Business Type Activities - Enterprise Fund  
 Statement of Net Position  
 June 30, 2017

	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 29,607.01
Accounts Receivable:	
State	395.58
Federal	8,731.52
Other	1,505.46
Inventories	6,337.67
Total Current Assets	46,577.24
Noncurrent Assets:	
Capital Assets:	
Furniture, Fixtures and Equipment	172,764.50
Less Accumulated Depreciation	(113,341.06)
Total Noncurrent Assets	59,423.44
Total Assets	106,000.68
<b>LIABILITIES:</b>	
Current Liabilities:	
Unearned Revenue	5,328.24
<b>NET POSITION:</b>	
Net Investment in Capital Assets	59,423.44
Unrestricted	41,249.00
Total Net Position	\$ 100,672.44

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Lunch Program	\$ 96,344.80
Daily Sales - Non-Reimbursable Programs	80,512.64
Special Functions	<u>2,579.54</u>
Total Operating Revenues	<u>179,436.98</u>
<b>OPERATING EXPENSES:</b>	
Salaries	92,146.26
Employee Benefits	17,628.66
General Supplies	6,197.35
Depreciation	7,207.99
Administrative Fee	24,868.20
Other Purchased Services	9,153.54
Cost of Sales - Reimbursable Programs	62,871.61
Cost of Sales - Non-Reimbursable Programs	<u>32,095.22</u>
Total Operating Expenses	<u>252,168.83</u>
Operating Income / (Loss)	<u>(72,731.85)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
State Sources:	
State School Lunch Program	2,015.65
Federal Sources:	
National School Lunch Program	46,309.52
Food Distribution Program	<u>18,100.01</u>
Total Nonoperating Revenues (Expenses)	<u>66,425.18</u>
Change in Net Position	(6,306.67)
Net Position -- July 1	<u>106,979.11</u>
Net Position -- June 30	<u>\$ 100,672.44</u>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Proprietary Fund  
Business Type Activities - Enterprise Fund  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers	\$ 178,078.02
Payments to Employees	(92,146.26)
Payments for Employee Benefits	(17,628.66)
Payments for Supplies and Services	<u>(132,484.66)</u>
Net Cash Provided by (used for) Operating Activities	<u>(64,181.56)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
State Sources	1,811.36
Federal Sources	<u>61,173.88</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>62,985.24</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchases of Capital Assets	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Revenue	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,196.32)
Cash and Cash Equivalents -- July 1	<u>30,803.33</u>
Cash and Equivalents -- June 30	<u><u>\$ 29,607.01</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>	
by Operating Activities:	
Operating Income (Loss)	\$ (72,731.85)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation and Net Amortization	7,207.99
(Increase) Decrease in Accounts Receivable	(1,364.48)
(Increase) Decrease in Inventories	2,701.26
Increase (Decrease) in Unearned Revenue	<u>5.52</u>
Total Adjustments	<u>8,550.29</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (64,181.56)</u></u>

FIDUCIARY FUNDS

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	<u>Private Purpose Trust Funds</u>		<u>Agency Funds</u>		
	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 10,344.96	\$ 96,545.38	\$ 38,216.86	\$ 24,675.93	\$ 169,783.13
Accounts Receivable:					
Interfund Accounts Receivable:					
Due Unemployment Fund				5,000.55	5,000.55
<b>Total Assets</b>	<u>10,344.96</u>	<u>96,545.38</u>	<u>\$ 38,216.86</u>	<u>\$ 29,676.48</u>	<u>174,783.68</u>
<b>LIABILITIES:</b>					
Accounts Payable		6.30			6.30
Interfund Accounts Payable:					
Due General Fund		1.00		\$ 1,670.00	1,671.00
Due Payroll Fund		5,000.55			5,000.55
Payable to Student Groups			\$ 38,216.86		38,216.86
Payroll Deductions and Withholdings				28,006.48	28,006.48
<b>Total Liabilities</b>	<u>-</u>	<u>5,007.85</u>	<u>\$ 38,216.86</u>	<u>\$ 29,676.48</u>	<u>72,901.19</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 10,344.96</u>	<u>\$ 91,537.53</u>			<u>\$ 101,882.49</u>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds	
	Scholarship Trust	Unemployment Compensation Trust
ADDITIONS:		
Contributions and Donations from		
Payroll Deductions Withheld		\$ 13,392.79
Scholarship Donations	\$ 1,100.00	
Total Additions	1,100.00	13,392.79
DEDUCTIONS:		
Scholarship Awards	1,500.00	
Unemployment Claims		141.26
Total Deductions	1,500.00	141.26
Change in Net Position	(400.00)	13,251.53
Net Position -- July 1	10,744.96	78,286.00
Net Position -- June 30	\$ 10,344.96	\$ 91,537.53

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

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	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>ELEMENTARY SCHOOLS:</b>				
Tabernacle Elementary School	\$ 16,834.54	\$ 13,258.81	\$ 21,633.43	\$ 8,459.92
<b>MIDDLE SCHOOLS:</b>				
Kenneth R. Olson Middle School	<u>16,773.38</u>	<u>59,973.31</u>	<u>46,989.75</u>	<u>29,756.94</u>
Total All Schools	<u>\$ 33,607.92</u>	<u>\$ 73,232.12</u>	<u>\$ 68,623.18</u>	<u>\$ 38,216.86</u>

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 64,486.32	\$ 8,978,689.89	\$ 9,018,500.28	\$ 24,675.93
Interfund Accounts Receivable:				
Due Unemployment	<u>4,533.14</u>	<u>13,860.20</u>	<u>13,392.79</u>	<u>5,000.55</u>
Total Assets	<u>\$ 69,019.46</u>	<u>\$ 8,992,550.09</u>	<u>\$ 9,031,893.07</u>	<u>\$ 29,676.48</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 67,349.46	\$ 4,159,624.36	\$ 4,198,967.34	\$ 28,006.48
Net Payroll		4,832,925.73	4,832,925.73	
Interfund Accounts Payable:				
Due General Fund	<u>1,670.00</u>	<u></u>	<u></u>	<u>1,670.00</u>
Total Liabilities	<u>\$ 69,019.46</u>	<u>\$ 8,992,550.09</u>	<u>\$ 9,031,893.07</u>	<u>\$ 29,676.48</u>



LONG-TERM DEBT

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
2013 Refunding Bond Issue	10/18/2013	\$ 6,250,000.00	9/1/2017	\$ 685,000.00	3.000%				
			9/1/2018	705,000.00	4.000%				
			9/1/2019	715,000.00	3.000%				
			9/1/2020	700,000.00	3.000%				
			9/1/2021	690,000.00	3.000%				
			9/1/2022	360,000.00	3.125%				
			9/1/2023	360,000.00	3.125%	\$ 5,225,000.00		\$ 660,000.00	\$ 4,565,000.00
			9/1/2024	350,000.00	3.125%				
						\$ 5,225,000.00		\$ 660,000.00	\$ 4,565,000.00
						\$ 5,225,000.00		\$ 660,000.00	\$ 4,565,000.00

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2017

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue Principal</u>	<u>Interest</u>	<u>Amount Outstanding June 30, 2016(a)</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2017(a)</u>
Two (2) School Busses	09/03/13	5 years	\$ 131,589.64	\$ 6,366.97	\$ 53,241.24		\$ 26,302.35	\$ 26,938.89
Two (2) School Busses	10/01/15	5 years	93,948.82	4,376.02	73,948.82		17,850.81	56,098.01
School Bus	05/01/16	5 years	83,747.15	6,450.01	63,747.15		15,018.53	48,728.62
					<u>\$ 190,937.21</u>	<u>-</u>	<u>\$ 59,171.69</u>	<u>\$ 131,765.52</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 722,517.00		\$ 722,517.00	\$ 722,517.00	
State Sources:					
Debt Service Aid Type II	92,721.00		92,721.00	92,721.00	
Total Revenues	<u>815,238.00</u>	<u>-</u>	<u>815,238.00</u>	<u>815,238.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	155,238.00		155,238.00	155,237.50	\$ 0.50
Redemption of Principal	660,000.00		660,000.00	660,000.00	
Total Regular Debt Service	<u>815,238.00</u>	<u>-</u>	<u>815,238.00</u>	<u>815,237.50</u>	<u>0.50</u>
Total Expenditures	<u>815,238.00</u>	<u>-</u>	<u>815,238.00</u>	<u>815,237.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.50	(0.50)
Fund Balance (Deficit), July 1	<u>38,866.18</u>	<u>-</u>	<u>38,866.18</u>	<u>38,866.18</u>	<u>-</u>
Fund Balance (Deficit), June 30	<u>\$ 38,866.18</u>	<u>-</u>	<u>\$ 38,866.18</u>	<u>\$ 38,866.68</u>	<u>\$ (0.50)</u>

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities:</b>										
Net Invested in Capital Assets	\$ 8,754,732.81	\$ 8,365,701.52	\$ 7,849,778.80	\$ 7,495,270.98	\$ 7,405,988.04	\$ 6,846,584.00	\$ 7,252,242.00	\$ 7,242,312.00	\$ 6,728,882.00	\$ 7,369,581.00
Restricted	2,955,891.92	3,486,924.66	3,200,790.52	2,622,631.46	1,783,326.14	1,980,119.00	1,290,490.00	729,758.00	2,028,103.00	2,022,046.00
Unrestricted	(5,183,290.21)	(5,044,802.72)	(4,967,952.29)	(500,490.75)	(11,826.51)	(33.00)	(184,982.00)	130,545.00	406,059.00	818,625.00
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,527,334.52</b>	<b>\$ 6,807,823.46</b>	<b>\$ 6,082,617.03</b>	<b>\$ 9,617,411.69</b>	<b>\$ 9,177,487.67</b>	<b>\$ 8,826,670.00</b>	<b>\$ 8,357,750.00</b>	<b>\$ 8,102,615.00</b>	<b>\$ 9,163,044.00</b>	<b>\$ 10,210,252.00</b>
<b>Business-type Activities:</b>										
Net Invested in Capital Assets	\$ 59,423.44	\$ 66,631.43	\$ 74,199.42	\$ 78,351.24	\$ 66,279.41	\$ 66,279.41	\$ 29,904.00	\$ 68,042.00	\$ 189.00	\$ 984.00
Unrestricted	41,249.00	40,347.68	27,520.24	28,290.36	29,856.43	29,856.43	39,215.00	\$ 68,042.00	57,361.00	52,065.00
<b>Total Business-type Activities Net Position</b>	<b>\$ 100,672.44</b>	<b>\$ 106,979.11</b>	<b>\$ 101,719.66</b>	<b>\$ 106,641.60</b>	<b>\$ 96,135.84</b>	<b>\$ 96,135.84</b>	<b>\$ 69,119.00</b>	<b>\$ 68,042.00</b>	<b>\$ 57,550.00</b>	<b>\$ 53,049.00</b>
<b>District-wide:</b>										
Net Invested in Capital Assets	\$ 8,814,156.25	\$ 8,432,332.95	\$ 7,923,978.22	\$ 7,573,622.22	\$ 7,472,267.45	\$ 6,912,863.41	\$ 7,282,146.00	\$ 7,242,312.00	\$ 6,729,071.00	\$ 7,370,565.00
Restricted	2,955,891.92	3,486,924.66	3,200,790.52	2,622,631.46	1,783,326.14	1,980,119.00	1,290,490.00	729,758.00	2,028,103.00	2,022,046.00
Unrestricted	(5,142,041.21)	(5,004,455.04)	(4,940,432.05)	(472,200.39)	(18,029.92)	29,823.43	(145,767.00)	198,587.00	463,420.00	870,690.00
<b>Total District-wide Net Position</b>	<b>\$ 6,628,006.96</b>	<b>\$ 6,914,802.57</b>	<b>\$ 6,184,336.69</b>	<b>\$ 9,724,053.29</b>	<b>\$ 9,273,623.51</b>	<b>\$ 8,922,805.84</b>	<b>\$ 8,426,869.00</b>	<b>\$ 8,170,657.00</b>	<b>\$ 9,220,594.00</b>	<b>\$ 10,263,301.00</b>

Source: Exhibit A-1

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses:</b>										
<u>Governmental Activities:</u>										
Instruction:										
Regular	\$ 3,966,302	\$ 3,757,047	\$ 3,710,827	\$ 4,205,992	\$ 4,360,444	\$ 4,943,421	\$ 4,797,415	\$ 5,089,415	\$ 5,128,843	\$ 5,906,561
Special Education	1,327,326	1,400,173	1,183,495	1,169,530	1,144,122	1,530,608	1,506,929	1,637,390	1,565,207	1,643,988
Other Special Education	257,726	271,795	271,930	253,571	202,108	409,818	445,891	447,050	434,065	453,781
Other Instruction	61,813	114,835	197,166	112,919	70,766	120,367	127,374	115,932	96,861	79,291
Adult/Continuing Education Programs						3,920	9,131	10,359	7,601	7,601
Tuition	371,920			19,508		19,508	44,072	63,339	5,280	6,148
Support Services:										
Student and Instruction Related Services	1,890,711	1,542,127	1,535,176	1,572,401	1,459,592	2,169,711	2,117,808	2,167,241	2,041,717	1,955,614
School Administrative Services	364,311	365,927	407,295	440,066	356,562	341,410	353,877	381,803	387,935	459,005
Other Administrative Services	759,712	673,390	627,720	658,347	674,442	747,647	715,648	761,039	737,234	741,054
Central Services						331,955	367,201	390,226	396,558	398,756
Plant Operations and Maintenance	1,470,680	1,313,388	1,175,336	1,232,188	1,202,391	1,342,494	1,396,902	1,453,390	1,449,533	1,409,080
Pupil Transportation	535,509	489,603	460,085	516,938	503,174	932,392	747,688	729,917	745,176	737,023
Unallocated Benefits	6,565,761	2,799,582	2,591,556	2,614,505	2,587,049					
Reimbursement TPAF Pension and Social Security	919,659	1,386,351	1,147,740	1,042,878	1,183,422					
Interest on Long-term Debt	161,814	231,378	254,647	354,585	348,610	333,628	365,898	349,244	366,445	379,798
Reduction in Compensated Absences							246,376	(73,136)	(35,268)	59,232
Unallocated Amortization						38,761	38,762	38,762	38,762	38,762
Capital Asset Adjustment Due To Appraisal						396,835				
Unallocated Depreciation	472,915	488,178	468,597			570,090	635,000	632,462	632,462	613,489
Total Governmental Activities Expenses	18,926,160	14,833,774	14,029,571	14,173,921	14,092,682	14,232,565	13,915,972	14,193,359	14,001,169	14,889,183
<u>Business-type Activities:</u>										
Food Service	252,169	256,842	262,294	266,689	263,734	258,656	254,928	278,018	279,645	301,433
Community Program							21,846	13,515	9,907	22,522
Total Business-type Activities Expense	252,169	256,842	262,294	266,689	263,734	258,656	276,774	291,533	289,552	323,955
Total District Expenses	\$ 19,178,329	\$ 15,090,616	\$ 14,291,864	\$ 14,440,610	\$ 14,356,416	\$ 14,491,221	\$ 14,192,746	\$ 14,484,892	\$ 14,290,721	\$ 15,213,138
<b>Program Revenues:</b>										
<u>Governmental Activities:</u>										
Operating Grants and Contributions	\$ 4,592,563	\$ 1,691,626	\$ 1,433,807	\$ 1,337,344	\$ 1,569,696					
Charges for Services	109,743	119,287	226,766	179,124	156,142					
Capital Grants and Contributions						\$ 395,306	\$ 540,640	\$ 442,231	\$ 519,555	\$ 488,875
Total Governmental Activities Program Revenues	4,702,306	1,810,913	1,660,574	1,516,468	1,725,838	395,306	540,640	442,231	519,555	488,875
<u>Business-type activities:</u>										
Charges for Services										
Food Service	179,437	192,093	181,337	183,548	186,880	181,649	195,549	214,326	235,228	238,135
Community Program			3,890	19,190	33,924	77,606	17,526	13,874	13,683	22,082
Capital Grants and Contributions	66,425	70,008	72,145	74,358	69,719					
Operating Grants and Contributions							73,562	67,448	60,503	59,513
Total Business-type Activities Program Revenues	245,862	262,102	257,372	277,096	290,524	259,255	286,637	295,648	309,414	319,730
Total District Program Revenues	\$ 4,948,168	\$ 2,073,015	\$ 1,917,945	\$ 1,793,564	\$ 2,016,362	\$ 654,561	\$ 827,277	\$ 737,879	\$ 828,969	\$ 808,605

(Continued)



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (14,223,854)	\$ (13,022,861)	\$ (12,368,997)	\$ (12,657,454)	\$ (12,366,844)	\$ (13,837,259)	\$ (13,375,332)	\$ (13,751,128)	\$ (13,481,614)	\$ (14,400,308)
Business-type Activities	(6,307)	5,260	(4,922)	10,407	26,790	599	9,863	4,115	19,882	(4,225)
<b>Total District-wide Net Expense</b>	<b>\$ (14,230,161)</b>	<b>\$ (13,017,601)</b>	<b>\$ (12,373,919)</b>	<b>\$ (12,647,047)</b>	<b>\$ (12,340,054)</b>	<b>\$ (13,836,660)</b>	<b>\$ (13,365,469)</b>	<b>\$ (13,747,013)</b>	<b>\$ (13,461,732)</b>	<b>\$ (14,404,533)</b>
<b>General Revenues and Other Changes in Net Assets:</b>										
<u>Governmental Activities:</u>										
Property Taxes Levied for General Purposes, Net	\$ 7,380,663	\$ 7,108,411	\$ 6,776,362	\$ 6,504,183	\$ 6,504,183	\$ 6,439,785	\$ 6,460,884	\$ 6,438,192	\$ 6,267,454	\$ 6,111,552
Taxes Levied for Debt Service	722,517	733,700	701,912	766,936	779,914	787,102	798,527	737,458	693,803	733,988
Federal and State Aid Not Restricted	5,669,334	5,554,275	5,601,052	5,652,261	5,526,032					
Federal and State Aid Restricted	75,065	272,461	72,477	75,473	71,513					
Unrestricted Grants and Contributions						6,663,788	6,127,140	5,684,517	6,403,747	7,256,059
Tuition Received						311,182	151,921	83,717	107,928	43,901
Miscellaneous	95,786	79,221	85,178	98,524	119,556	104,322	91,995	79,948	73,942	149,810
Transfers										(256)
Cancellation of Prior Year Accounts Receivable					(143,406)				(12,930)	
<b>Total Governmental Activities</b>	<b>13,943,365</b>	<b>13,748,067</b>	<b>13,236,982</b>	<b>13,097,378</b>	<b>12,857,793</b>	<b>14,306,179</b>	<b>13,630,467</b>	<b>13,023,832</b>	<b>13,533,944</b>	<b>14,295,054</b>
<u>Business-type Activities:</u>										
Investment Earnings				99	227	478	629	386	106	818
Miscellaneous										256
Transfers										
<b>Total Business-type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99</b>	<b>227</b>	<b>478</b>	<b>629</b>	<b>386</b>	<b>106</b>	<b>1,074</b>
<b>Total District-wide</b>	<b>\$ 13,943,365</b>	<b>\$ 13,748,067</b>	<b>\$ 13,236,982</b>	<b>\$ 13,097,477</b>	<b>\$ 12,858,019</b>	<b>\$ 14,306,657</b>	<b>\$ 13,631,096</b>	<b>\$ 13,024,218</b>	<b>\$ 13,534,050</b>	<b>\$ 14,296,128</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ (280,489)	\$ 725,207	\$ 869,984	\$ 439,924	\$ 490,949	\$ 468,920	\$ 255,135	\$ (727,286)	\$ 52,330	\$ (105,254)
Business-type Activities	(6,307)	5,260	(4,922)	10,506	27,017	1,077	10,492	4,501	19,968	(3,151)
<b>Total District</b>	<b>\$ (286,796)</b>	<b>\$ 730,467</b>	<b>\$ 865,062</b>	<b>\$ 450,430</b>	<b>\$ 517,965</b>	<b>\$ 469,997</b>	<b>\$ 265,627</b>	<b>\$ (722,785)</b>	<b>\$ 72,298</b>	<b>\$ (108,405)</b>

Source: Exhibit A-2

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Fund:</b>										
Restricted	\$ 2,955,891.92	\$ 3,129,965.89	\$ 2,755,893.17	\$ 2,370,699.34	\$ 1,537,527.99	\$ 1,741,934.00	\$ 950,417.00	\$ 1,028,564.00	\$ 1,890,016.00	\$ 760,053.00
Assigned	47,763.96	177,143.27	143,781.87	176,522.97	198,334.00	165,551.00	41,841.00	(577,770.00)	(320,175.00)	720,743.00
Unassigned	(130,493.32)	(257,963.84)	(199,389.00)	(133,872.00)	338,060.87					
<b>Total General Fund</b>	<b>\$ 2,873,152.56</b>	<b>\$ 3,049,145.32</b>	<b>\$ 2,700,286.04</b>	<b>\$ 2,413,350.31</b>	<b>\$ 2,073,922.86</b>	<b>\$ 1,907,485.00</b>	<b>\$ 992,258.00</b>	<b>\$ 450,794.00</b>	<b>\$ 1,569,841.00</b>	<b>\$ 1,480,796.00</b>
<b>All Other Governmental Funds:</b>										
Reserved									\$ 498,959.00	\$ 354,555.00
Restricted for:										
Debt Service Fund	\$ 38,866.68	\$ 38,866.18	\$ 0.50	\$ 40,821.00	\$ (12,212.66)	\$ (12,213.00)	\$ (12,213.00)	\$ (14,363.00)		21,250.00
Capital Projects Fund		179,815.50	301,115.48	102,383.98	153,483.98	449,559.00	458,443.00	478,419.00	461,845.00	1,081,624.00
<b>Total All Other Governmental Funds</b>	<b>\$ 38,866.68</b>	<b>\$ 218,681.68</b>	<b>\$ 301,115.98</b>	<b>\$ 143,204.98</b>	<b>\$ 141,271.32</b>	<b>\$ 437,346.00</b>	<b>\$ 446,230.00</b>	<b>\$ 464,056.00</b>	<b>\$ 960,804.00</b>	<b>\$ 1,457,429.00</b>
<b>Total District</b>	<b>\$ 2,912,019.24</b>	<b>\$ 3,267,827.00</b>	<b>\$ 3,001,402.02</b>	<b>\$ 2,556,555.29</b>	<b>\$ 2,215,194.18</b>	<b>\$ 2,344,831.00</b>	<b>\$ 1,438,488.00</b>	<b>\$ 914,850.00</b>	<b>\$ 2,530,645.00</b>	<b>\$ 2,938,225.00</b>

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

**TABERNAACLE TOWNSHIP SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Tax Levy	\$ 8,103,180.00	\$ 7,842,111.00	\$ 7,480,274.00	\$ 7,271,119.00	\$ 7,284,097.00	\$ 7,226,887.00	\$ 7,259,411.00	\$ 7,175,650.00	\$ 6,961,257.00	\$ 6,845,540.00
Other Local Revenue				500.00	140.98					
Tuition Charges	109,742.79	119,286.62	226,766.28	179,123.94	156,141.70	311,182.00	151,921.00	83,717.00	107,928.00	43,901.00
Interest Earnings				98,524.35	119,556.12	104,322.00	89,846.00	645.00	6,014.00	31,776.00
Miscellaneous	102,749.42	83,220.51	85,178.45	6,798,850.11	6,810,954.39	6,581,391.00	6,242,201.00	5,173,646.00	67,928.00	118,034.00
State Sources	7,317,017.52	7,237,621.39	6,843,535.46	285,728.00	356,146.02	457,374.00	203,634.00	927,673.00	6,635,390.00	7,480,811.00
Federal Sources	264,469.09	276,741.00	263,801.00			20,329.00	23,945.00		287,912.00	264,123.00
Local Sources										
<b>Total Revenue</b>	<b>15,897,158.82</b>	<b>15,559,980.52</b>	<b>14,899,555.19</b>	<b>14,613,845.40</b>	<b>14,727,036.21</b>	<b>14,701,485.00</b>	<b>14,171,107.00</b>	<b>13,466,063.00</b>	<b>14,066,429.00</b>	<b>14,784,185.00</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	3,927,638.11	3,723,593.76	3,721,593.88	3,731,279.39	4,099,105.50	4,210,787.00	4,249,248.00	4,470,840.00	4,551,866.00	4,851,448.00
Special Education Instruction	1,316,701.57	1,390,217.64	1,189,137.09	1,159,123.12	1,205,313.02	919,054.00	870,902.00	998,757.00	938,948.00	969,379.00
Other Special Instruction	257,726.47	271,795.14	271,929.95	253,571.48	202,107.90	224,229.00	269,475.00	284,904.00	249,951.00	298,633.00
Other Instruction	61,812.56	114,834.74	197,166.12	112,918.87	70,765.77	61,632.00	83,127.00	72,385.00	69,847.00	48,475.00
Adult/Continuing Education							5,569.00		5,447.00	7,601.00
Tuition	371,920.45			1,572,401.09	1,459,591.98	1,380,107.00	1,347,447.00	1,399,172.00	1,347,987.00	1,222,073.00
Support Services:										
Student and Instruction Related Services	1,690,710.83	1,542,126.60	1,535,175.67	1,572,401.09	1,459,591.98	1,380,107.00	1,347,447.00	1,399,172.00	1,347,987.00	1,222,073.00
School Administrative Services	364,310.70	365,927.47	407,294.76	448,343.44	367,014.34	459,496.00	450,348.00	462,783.00	461,380.00	482,553.00
Other Administrative Services	728,149.27	641,826.82	593,382.17	623,703.54	674,442.09	310,631.00	282,967.00	321,053.00	309,165.00	375,029.00
Central Services						191,611.00	221,865.00	239,603.00	251,044.00	246,625.00
Plant Operations and Maintenance	1,466,880.14	1,309,587.66	1,152,791.38	1,163,808.23	1,133,483.60	1,007,477.00	1,048,118.00	1,128,000.00	1,143,603.00	1,082,797.00
Pupil Transportation	559,231.05	519,834.55	468,484.94	547,304.64	498,070.61	581,363.00	520,973.00	521,010.00	571,809.00	570,259.00
Allocated and Unallocated Benefits	2,904,409.81	2,773,501.22	2,631,873.09	2,614,504.61	2,587,049.43	3,469,739.00	3,285,779.00	3,363,447.00	3,171,591.00	3,734,581.00
Reimbursed TPAF Pension and Social Security	1,554,962.52	1,386,351.10	1,147,740.46	1,042,878.11	1,183,421.93					
Debt Service:										
Principal	660,000.00	655,000.00	650,000.00	595,000.00	590,000.00	580,000.00	575,000.00	545,000.00	540,000.00	540,000.00
Interest and Other Charges	155,237.50	224,038.50	199,687.50	222,613.34	297,484.00	318,472.00	338,587.00	356,807.00	371,010.00	383,955.00
Capital Outlay	233,275.60	551,616.31	288,451.45	316,624.07	345,416.78	78,011.00	53,992.00	516,056.00	670,789.00	1,040,307.00
<b>Total Expenditures</b>	<b>16,252,966.58</b>	<b>15,470,251.51</b>	<b>14,454,708.46</b>	<b>14,404,073.93</b>	<b>14,713,286.95</b>	<b>13,842,117.00</b>	<b>13,647,469.00</b>	<b>14,748,725.00</b>	<b>14,659,727.00</b>	<b>15,859,862.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(355,807.76)	88,729.01	444,846.73	209,771.47	13,769.26	859,368.00	523,638.00	(1,282,662.00)	(593,298.00)	(1,075,677.00)
<b>Other Financing Sources (Uses):</b>										
Proceeds from Borrowing										
Transfers In	179,815.50	127,243.93	377,012.00				2,149.00	626.00	198,648.00	70,850.00
Transfers out	(179,815.50)	(127,243.93)	(377,012.00)				(2,149.00)	(626.00)	6,009.00	31,750.00
Assets Acquired Under Capital Leases		177,695.97		131,589.64	(143,405.62)	46,975.00			(6,009.00)	(32,006.00)
Cancellation of Prior Year Accounts Receivable									(12,930.00)	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>177,695.97</b>	<b>-</b>	<b>131,589.64</b>	<b>(143,405.62)</b>	<b>46,975.00</b>	<b>-</b>	<b>-</b>	<b>185,718.00</b>	<b>70,594.00</b>
<b>Net Change in Fund Balances</b>	<b>\$(355,807.76)</b>	<b>\$ 266,424.98</b>	<b>\$ 444,846.73</b>	<b>\$ 341,361.11</b>	<b>\$ (129,636.36)</b>	<b>\$ 906,343.00</b>	<b>\$ 523,638.00</b>	<b>\$(1,282,662.00)</b>	<b>\$ (407,580.00)</b>	<b>\$ (1,005,083.00)</b>
Debt Service as a Percentage of Noncapital Expenditures	5.1%	5.9%	6.0%	5.8%	6.2%	6.5%	6.7%	6.3%	6.5%	6.2%

Source: Exhibit B-2

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Interest on Investments	\$ 7,952.33	\$ 5,978.88	\$ 5,308.44	\$ 11,540.54	\$ 16,849.70	\$ 35,364.00	\$ 21,578.00	\$ 27,799.00	\$ 17,076.00	\$ 64,448.00
Tuition	40,240.00	37,300.00	37,000.00	37,080.00	12,917.45	311,182.00	151,921.00	83,717.00	107,928.00	43,901.00
Rentals	4,594.43	1,566.08	16,469.21	14,954.20	37,400.00	37,000.00	37,000.00	37,000.00	37,000.00	37,000.00
Refund of Prior Year Expenditures	42,989.37	34,375.55	26,400.80	34,949.61	16,817.86	31,958.00	31,268.00	14,523.00	13,857.00	16,612.00
Miscellaneous					35,571.11					
<b>Total Miscellaneous Revenues</b>	<b>\$ 95,786.13</b>	<b>\$ 79,220.51</b>	<b>\$ 85,178.45</b>	<b>\$ 98,524.35</b>	<b>\$ 119,556.12</b>	<b>\$ 415,504.00</b>	<b>\$ 241,767.00</b>	<b>\$ 163,039.00</b>	<b>\$ 175,861.00</b>	<b>\$ 161,961.00</b>

Source: District Records

## Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2017	\$ 6,607,100.00	\$ 606,683,300.00	\$ 18,417,100.00	\$ 2,900,700.00	\$ 24,682,400.00	\$ 787,800.00	\$ 660,078,400.00	\$ 92.00	\$ 660,078,492.00	\$ 713,907,087.00	\$ 2.008
2016	6,991,200.00	606,799,700.00	17,483,600.00	2,826,100.00	24,676,800.00	787,800.00	659,565,200.00	95.00	659,565,295.00	696,258,096.00	1.949
2015	6,808,700.00	607,142,100.00	17,881,800.00	2,935,400.00	24,746,200.00	787,800.00	660,302,000.00	94.00	660,302,094.00	705,526,331.00	1.932
2014	7,249,000.00	608,488,600.00	17,450,900.00	2,901,500.00	25,481,300.00	921,500.00	662,492,800.00	566,903.00	663,059,703.00	698,001,159.00	1.866
2013	8,402,000.00	683,314,500.00	18,134,900.00	2,923,900.00	21,856,700.00	779,100.00	735,411,100.00	838,715.00	736,249,815.00	716,149,580.00	1.617
2012	8,517,000.00	686,007,600.00	19,298,800.00	2,921,400.00	21,868,200.00	779,100.00	739,392,100.00	914,672.00	740,306,772.00	759,811,502.00	1.602
2011	8,955,100.00	688,883,800.00	16,905,100.00	2,948,300.00	21,064,400.00	779,100.00	739,535,800.00	922,000.00	740,457,800.00	788,894,651.00	1.614
2010	9,204,600.00	691,739,700.00	16,903,500.00	2,949,300.00	21,463,200.00	779,100.00	743,039,400.00	1,147,709.00	744,187,109.00	821,321,385.00	1.587
2009	9,823,200.00	688,326,300.00	16,922,300.00	2,988,600.00	21,185,900.00	779,100.00	740,005,400.00	1,118,777.00	741,124,177.00	864,849,961.00	1.582
2008	10,979,800.00	680,403,900.00	17,835,400.00	2,739,800.00	19,451,500.00	779,100.00	732,189,500.00	1,042,750.00	733,232,250.00	743,737,175.00	1.588

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Burlington County Board of Taxation

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

Year Ended Dec. 31	District Direct Rate			Overlapping Rates						Total Direct and Overlapping Tax Rate
	Local School	Regional School	Total Direct School Tax Rate	Tabernacle Township	Burlington County	County Library	County Open Space	Fire District		
2017	\$ 1.251	\$ 0.757	\$ 2.008	\$ 0.422	\$ 0.363	\$ 0.034	\$ 0.043		\$ 2.870	
2016	1.229	0.720	1.949	0.402	0.355	0.033	0.042		2.781	
2015	1.188	0.744	1.932	0.381	0.366	0.035	0.043		2.757	
2014	1.128	0.738	1.866	0.309	0.352	0.033	0.016	\$ 0.072	2.648	
2013	0.987	0.630	1.617	0.257	0.324	0.030	0.015	0.065	2.308	
2012	0.984	0.618	1.602	0.237	0.317	0.031	0.041	0.061	2.289	
2011	0.978	0.636	1.614	0.237	0.328	0.032	0.043	0.044	2.298	
2010	0.975	0.612	1.587	0.237	0.342	0.033	0.045	0.062	2.306	
2009	0.969	0.613	1.582	0.237	0.362	0.035	0.047	0.060	2.323	
2008	0.950	0.638	1.588	0.238	0.367	0.034	0.047	0.059	2.333	

Source: Municipal Tax Collector

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pinelands Acres, LLC	\$ 2,800,000.00	1	0.42%			
Allenwood Estate, LLC	2,700,000.00	2	0.41%			
Tabernacle Equities, LLC	1,733,000.00	3	0.26%	\$ 790,400.00	4	0.11%
Russos Fruit & Veg Farm Inc	1,483,800.00	4	0.22%			
Conte Enterprises, LLC	1,119,100.00	5	0.17%	1,682,200.00	1	0.23%
The Ess Group, Inc	978,700.00	6	0.15%			
Russos Fruit & Veg Farm Inc	953,200.00	7	0.14%			
Cmatt LLC	940,700.00	8	0.14%			
Individual Taxpayer #1	868,000.00	9	0.13%			
1488 Route 206 LLC	841,000.00	10	0.13%	1,020,700.00	2	0.14%
Individual Taxpayer #2				886,800.00	3	0.12%
Individual Taxpayer #3				737,900.00	5	0.10%
Individual Taxpayer #4				702,000.00	6	0.10%
Individual Taxpayer #5				676,100.00	7	0.09%
A&B Trucking				646,400.00	8	0.09%
Individual Taxpayer #6				642,300.00	9	0.09%
Individual Taxpayer #7				639,400.00	10	0.09%
<b>Total</b>	<b>\$ 14,417,500.00</b>		<b>2.18%</b>	<b>\$ 8,424,200.00</b>		<b>1.15%</b>



**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Fiscal Year Ended June 30,</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2017	\$ 8,103,180.00	\$ 8,103,180.00	100.00%	-
2016	7,842,111.00	7,842,111.00	100.00%	-
2015	7,480,274.00	7,480,274.00	100.00%	-
2014	7,271,119.00	7,271,119.00	100.00%	-
2013	7,284,097.00	7,284,097.00	100.00%	-
2012	7,226,887.00	7,226,887.00	100.00%	-
2011	7,259,411.00	7,259,411.00	100.00%	-
2010	7,175,650.00	7,175,650.00	100.00%	-
2009	6,961,257.00	6,961,257.00	100.00%	-
2008	6,845,540.00	6,845,540.00	100.00%	-

(1) 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, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

## Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Authorized but not Issued	Capital Leases	Bond Anticipation Notes	Capital Leases	Unavailable			
2017	\$ 4,565,000.00	-	\$ 131,765.52	-	-	\$ 4,696,765.52	Unavailable	Unavailable	
2016	5,225,000.00	-	190,937.21	-	-	5,415,937.21	Unavailable	Unavailable	
2015	5,225,000.00	-	78,922.11	-	-	5,303,922.11	1.38%	\$ 55,227.00	
2014	6,530,000.00	-	119,455.10	-	-	6,649,455.10	1.77%	53,747.00	
2013	7,068,000.00	\$ 450,000.00	54,277.30	-	-	7,572,277.30	2.09%	51,785.00	
2012	7,658,000.00	-	123,630.00	-	-	7,781,630.00	2.16%	51,390.00	
2011	8,238,000.00	-	96,013.00	-	-	8,334,013.00	2.38%	49,955.00	
2010	8,813,000.00	-	145,967.00	-	-	8,958,967.00	2.67%	48,047.00	
2009	9,358,000.00	-	236,909.00	-	-	9,594,909.00	2.81%	47,649.00	
2008	9,898,000.00	-	121,778.00	-	-	10,019,778.00	2.92%	47,816.00	

Sources:  
 (1) District Records  
 (2) Personal income has been estimated based upon the municipal population and per capita  
 (3) Per Capita personal income by county-estimated based upon the 2010 Census published

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

Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2017	\$ 4,565,000.00	-	\$ 4,565,000.00	0.69%	Unavailable
2016	5,225,000.00	-	5,225,000.00	0.79%	\$ 758.13
2015	5,880,000.00	-	5,880,000.00	0.89%	845.56
2014	6,530,000.00	-	6,530,000.00	0.98%	935.66
2013	7,068,000.00	-	7,068,000.00	0.96%	1,012.46
2012	7,658,000.00	-	7,658,000.00	1.03%	1,091.51
2011	8,238,000.00	-	8,238,000.00	1.11%	1,175.18
2010	8,813,000.00	-	8,813,000.00	1.19%	1,260.62
2009	9,358,000.00	-	9,358,000.00	1.28%	1,305.16
2008	9,898,000.00	-	9,898,000.00	1.36%	1,380.86

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2016  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Tabernacle Township</u>
Municipal Debt: (1)				
Tabernacle Township School District	\$ 4,565,000.00	\$ 4,565,000.00		
Regional High School District	2,413,418.78	2,413,418.78		
Tabernacle Township	<u>9,931,697.85</u>	<u>18,626.89</u>	<u>\$ 9,913,070.96</u>	<u>\$ 9,913,070.96</u>
	<u>16,910,116.63</u>	<u>6,997,045.67</u>	<u>9,913,070.96</u>	<u>9,913,070.96</u>
Overlapping Debt Apportioned to the Municipality:				
County of Burlington: (2)				
Solid Waste Utility:				
Bonds	68,116,000.00	68,116,000.00		
General:				
Bonds	267,578,645.00	31,063,639.00 (3)	236,515,006.00 (5)	3,550,475.41
Bonds Issued by Other Public Bodies				
Guaranteed by the County	<u>329,726,000.00</u>	<u>329,726,000.00</u> (4)		
	<u>665,420,645.00</u>	<u>428,905,639.00</u>	<u>236,515,006.00</u>	<u>3,550,475.41</u>
	<u>\$ 682,330,761.63</u>	<u>\$ 435,902,684.67</u>	<u>\$ 246,428,076.96</u>	<u>\$ 13,463,546.37</u>

Sources:

- (1) 2016 Annual Debt Statement
  - (2) County's 2016 Audit Report
  - (3) Includes Cash on Hand, Accounts Receivable and County College Bonds paid with State Aid.
  - (4) Deductible in accordance with N.J.S. 40:37A-80.
  - (5) Such debt is allocated as a proportion of the Township's share of the total 2016 Equalized Value, which is 1.50%.
- The source for this computation was the 2016 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2017**

<u>Equalized valuation basis (1)</u>	
\$ 713,351,936	2016
697,035,786	2015
707,867,080	2014
<hr/>	
\$ 2,118,254,802	
<hr/>	
\$ 706,084,934	Average equalized valuation of taxable property
<hr/>	
\$ 21,182,548	Debt limit (3% of average equalization value) (2)
4,565,000	Total Net Debt Applicable to Limit
<hr/>	
\$ 16,617,548	Legal Debt Margin
<hr/>	

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 21,182,548	\$ 21,087,799	\$ 21,265,090	\$ 21,769,846	\$ 22,684,981	\$ 23,653,774	\$ 25,237,930	\$ 25,064,650	\$ 24,636,915	\$ 22,818,754
Total net debt applicable to limit (3)	4,565,000	5,225,000	5,880,000	6,530,000	7,518,000	7,658,000	8,238,000	8,813,000	9,358,000	9,898,000
Legal debt margin	\$ 16,617,548	\$ 15,862,799	\$ 15,385,090	\$ 15,239,846	\$ 15,166,981	\$ 15,995,774	\$ 16,999,930	\$ 16,251,650	\$ 15,278,915	\$ 12,920,754
Total net debt applicable to the limit as a percentage of debt limit	21.55%	24.78%	27.65%	30.00%	33.14%	32.38%	32.64%	35.16%	37.98%	43.38%

Sources:  
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.  
 (2) Limit set by NJSA 18A:24-19 for a K through 8 district.  
 (3) District Records

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	6,892	Unavailable	Unavailable	4.7%
2015	6,954	\$ 384,048,558.00	\$ 55,227.00	5.3%
2014	6,979	375,100,313.00	53,747.00	5.8%
2013	6,981	361,511,085.00	51,785.00	5.8%
2012	7,016	360,552,240.00	51,390.00	5.2%
2011	7,010	350,184,550.00	49,955.00	5.0%
2010	6,991	335,896,577.00	48,047.00	5.1%
2009	7,170	341,643,330.00	47,649.00	4.8%
2008	7,168	342,745,088.00	47,816.00	2.7%
2007	7,182	331,722,216.00	46,188.00	2.0%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development





## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

Function/Program	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010(a)	2009(a)	2008
Instruction	73	68	68	70	70	63	95			74
Regular & Special Education	12	12	13	14	14	16	20			21
Other Instruction										
Support Services:	7	7	8	4	5	12	4			4
Student & Instruction Related Services	2	2	2	3	3					6
Other Support Services										3
Instructional Staff Training	2	2	2	2	2		2			6
Media Center	9	9	10	7	7	12	9			8
School Administrative Services	2	2	2	2	2	2	3			2
General Administrative Services	12	13	15	14	13	13	8			13
Plant Operations & Maintenance	11	16	15	13	13	15	16			17
Pupil transportation	3	5	5	4	4	3	3			4
Business & Other Support Services										
<b>Total</b>	<b>133</b>	<b>136</b>	<b>140</b>	<b>132</b>	<b>132</b>	<b>136</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>156</b>

Source: District Records  
 (a) Information Unavailable

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**

Operating Statistics  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2017	\$ 15,204,453.48	\$ 21,505.59	13.96%	73	11.2/1	709	683	-7.92%	96.33%
2016	14,039,596.70	18,870.43	8.41%	74	10.1/1	770	738	0.92%	95.84%
2015	13,316,569.51	17,407.28	-0.04%	75	10.2/1	763	730	-4.27%	95.67%
2014	13,269,836.52	17,414.48	4.25%	72	10.6/1	797	763	-2.69%	95.73%
2013	13,480,366.17	16,704.30	9.74%	75	10.0/1	819	786	-1.09%	95.97%
2012	12,603,850.00	15,222.04	7.77%	83	10.0/1	828	794	-4.83%	95.89%
2011	12,288,327.00	14,124.51	-5.71%	78	11.2/1	870	828	-0.34%	95.17%
2010	13,077,928.00	14,980.44	2.63%	77	11.3/1	873	836	-2.57%	95.76%
2009	13,077,928.00	14,595.90	-7.57%	80	11.2/1	896	856	1.82%	95.54%
2008	13,895,601.00	15,790.46	10.71%	85	10.4/1	880	838	-1.79%	95.23%

Sources: District Records

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Tabernacle Elementary										
Square Feet	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918	59,918
Capacity (Students)	552	552	552	552	552	552	552	552	552	552
Enrollment	363	361	397	409	428	444	470	440	482	468
<b><u>Middle School</u></b>										
Olson Middle School										
Square Feet	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321	88,321
Capacity (Students)	474	474	474	474	474	474	474	474	474	474
Enrollment	344	383	379	353	379	384	400	433	414	412

Number of Schools at June 30, 2017  
 Elementary = 1  
 Middle School = 1

Source: District Records

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tabernacle Elementary	S1	\$ 147,114.45	\$ 125,323.06	\$ 124,321.11	\$ 132,702.12	\$ 110,213.00	\$ 29,234.00	\$ 41,366.00	\$ 55,424.00	\$ 42,293.00	\$ 41,390.00
Olson Middle School	S2	332,190.47	189,496.29	179,762.16	180,535.45	102,475.00	39,749.00	48,824.00	72,208.00	64,856.00	48,595.00
Total School Facilities		479,304.92	314,819.35	304,083.27	313,237.57	212,688.00	68,983.00	90,190.00	127,632.00	107,149.00	89,985.00
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 479,304.92	\$ 314,819.35	\$ 304,083.27	\$ 313,237.57	\$ 212,688.00	\$ 68,983.00	\$ 90,190.00	\$ 127,632.00	\$ 107,149.00	\$ 89,985.00

\* School Facilities as defined under EFCFA, (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**

Insurance Schedule

June 30, 2017

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Burlington County Insurance Pool Joint Insurance Fund</b>		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000.00	\$ 500.00
Crime - JIF Self Insured Retention	250,000.00	500.00
General Liability / Auto Liability - JIF Self Insured Retention	250,000.00	
Educators Legal Liability - JIF Self Insured Retention	175,000.00	
Workers Compensation - JIF Self Insured Retention	250,000.00	
<b>School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)</b>		
Property / Inland Marine / Automobile Physical Damage	175,000,000.00	
Crime	500,000.00	
Workers Compensation	Statutory	
General Liability / Auto Liability	20,000,000.00	
Educators' Legal Liability	20,000,000.00	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000.00	1,000.00
<b>Beazley / Lloyd's of London</b>		
Pollution Legal Liability	3,000,000.00	25,000.00
<b>AIG / Lexington Insurance Company, Inc.</b>		
Cyber Liability	1,000,000.00	25,000.00
<b>Lloyd's of London</b>		
Violent Malicious Acts	1,000,000.00	15,000.00
Disaster Management Services	2,000,000.00	15,000.00
<b>Non-JIF Coverage</b>		
Selective Insurance Company of America:		
Business Administrator/Board Secretary	100,000.00	
Treasurer	200,000.00	
<b><u>Excess and Reinsurance Carriers Involved</u></b>		
Property and Crime:		
SPELL JIF, Great American Insurance Company		
Axis Surplus Insurance Company		
Westchester Fire Insurance Company		
Alterra Excess & Surplus Insurance Company		
Ironshore Specialty Insurance Company		
Evanston Insurance Company		
RSUI Indemnity Company		
James River Insurance Company		
BRIT / Lloyd's of London		
Colony Insurance Company		
Arch Specialty Insurance Company		
United National Insurance Company		
General Liability and Automobile Liability:		
SPELL JIF, Great American Insurance Company		
Workers Compensation:		
SPELL JIF, Great American Insurance Company,		
Safety National Casualty Corp.		
Educators Legal Liability:		
SPELL JIF, Great American Insurance Company		

Source: District Records

SINGLE AUDIT SECTION



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Tabernacle School District  
County of Burlington  
Tabernacle New Jersey 08088

**Report on Compliance for Each State Program**

We have audited the Township of Tabernacle School District's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the School District's major state program for the fiscal year ended June 30, 2017. The School District's major state program is 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the School District's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Tabernacle School District's, in the County of Burlington, State of New Jersey, 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 the major state program. However, our audit does not provide a legal determination of the School District's compliance.

**Opinion on Each Major State Program**

In our opinion, the Township of Tabernacle School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2017.

### Report on Internal Control Over Compliance

Management of the Township of Tabernacle School District, in the County of Burlington, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on its major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major state program and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, 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 School District's internal control over compliance.

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 8, 2017

**TABERNACLE TOWNSHIP 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	Pass-through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2016	Carryover / (Walkover) Amount
					From	To		
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I, Part A	84.010A	S010A150030	NCLB513016	\$ 53,786.00	7-1-15	6-30-16	\$ (17,815.00)	
Title I, Part A	84.010A	S010A160030	NCLB513017	63,618.00	7-1-16	6-30-17		
Total Title I, Part A							(17,815.00)	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	NCLB513016	25,223.00	7-1-15	6-30-16	(7,396.00)	
Title II, Part A, Improving Teacher Quality	84.367A	S367A160029	NCLB513017	12,115.00	7-1-16	6-30-17		
Total Title II, Part A, Improving Teacher Quality							(7,396.00)	-
Title III	84.365A	S365A160030	NCLB513017	1,935.00	7-1-16	6-30-17	-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A160100	FT513017	179,457.00	7-1-16	6-30-17		
Preschool	84.173	H173A160114	PS513017	8,065.00	7-1-16	6-30-17		
Total I.D.E.A. Part B Special Education Cluster							-	-
Total Special Revenue Fund							(25,211.00)	-
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	49,105.74	7-1-15	6-30-16	(4,163.29)	
National School Lunch Program	10.555	171NJ304N1099	Unavailable	46,309.52	7-1-16	6-30-17		
Food Distribution Program (Non-Cash Assistance)	10.555	16161NJ304N1099	Unavailable	18,685.46	7-1-15	6-30-16	3,093.84	
Food Distribution Program (Non-Cash Assistance)	10.555	171NJ304N1099	Unavailable	19,432.59	7-1-16	6-30-17		
Total Child Nutrition Cluster							(1,069.45)	-
Total Enterprise Fund							(1,069.45)	-
Total Federal Financial Assistance							\$ (26,280.45)	-

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State 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 \$750,000.00.

Cash Received	Budgetary Expenditures			Passed Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017			
	Pass-through Funds	Direct Funds	Total Budgetary Expenditures				Accounts Receivable	Unearned Revenue	Due to Grantor	
\$ 17,815.00										
51,839.00	\$ 63,539.95		\$ 63,539.95				\$ (11,779.00)	\$ 78.05		
69,654.00	63,539.95	-	63,539.95	-	-	-	(11,779.00)	78.05	-	
7,396.00										
628.00	12,115.00		12,115.00				(11,487.00)			
8,024.00	12,115.00	-	12,115.00	-	-	-	(11,487.00)	-	-	
-	1,935.00	-	1,935.00	-	-	-	(1,935.00)	-	-	
142,168.00	179,357.00		179,357.00				(37,289.00)	100.00		
7,427.00	7,522.14		7,522.14				(638.00)	542.86		
149,595.00	186,879.14	-	186,879.14	-	-	-	(37,927.00)	642.86	-	
227,273.00	264,469.09	-	264,469.09	-	-	-	(63,128.00)	720.91	-	
4,163.29										
37,578.00	46,309.52		46,309.52				(8,731.52)			
19,432.59	3,093.84		3,093.84					1,332.58		
	18,100.01		18,100.01							
61,173.88	67,503.37	-	67,503.37	-	-	-	(8,731.52)	1,332.58	-	
61,173.88	67,503.37	-	67,503.37	-	-	-	(8,731.52)	1,332.58	-	
\$ 288,446.88	\$ 331,972.46	-	\$ 331,972.46	-	-	-	\$ (71,859.52)	\$ 2,053.49	-	

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Award Amount	Required Match	Grant Period		Balance June 30, 2016	
				From	To	Unearned Revenue / Accounts Receivable	Due to Grantor
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	16-495-034-5120-078	\$ 3,405,745.00	N/A	7-1-15	6-30-16	\$ (337,515.67)	
Equalization Aid	17-495-034-5120-078	3,405,745.00	N/A	7-1-16	6-30-17		
Categorical Special Education Aid	16-495-034-5120-089	465,120.00	N/A	7-1-15	6-30-16	(46,094.26)	
Categorical Special Education Aid	17-495-034-5120-089	465,120.00	N/A	7-1-16	6-30-17		
Adjustment Aid	16-495-034-5120-085	1,177,271.00	N/A	7-1-15	6-30-16	(116,669.75)	
Adjustment Aid	17-495-034-5120-085	1,177,271.00	N/A	7-1-16	6-30-17		
Categorical Security Aid	16-495-034-5120-084	66,283.00	N/A	7-1-15	6-30-16	(6,568.77)	
Categorical Security Aid	17-495-034-5120-084	66,283.00	N/A	7-1-16	6-30-17		
PARCC Readiness Aid	16-495-034-5120-098	7,330.00	N/A	7-1-15	6-30-16	(726.42)	
PARCC Readiness Aid	17-495-034-5120-098	7,330.00	N/A	7-1-16	6-30-17		
Per Pupil Growth Aid	16-495-034-5120-097	7,330.00	N/A	7-1-15	6-30-16	(726.41)	
Per Pupil Growth Aid	17-495-034-5120-097	7,330.00	N/A	7-1-16	6-30-17		
Professional Learning Community Aid	17-495-034-5120-101	7,150.00	N/A	7-1-16	6-30-17		
Total State Aid - Public Cluster						(508,301.28)	-
Transportation Aid:							
Categorical Transportation Aid	16-495-034-5120-014	337,115.00	N/A	7-1-15	6-30-16	(33,408.72)	
Categorical Transportation Aid	17-495-034-5120-014	337,115.00	N/A	7-1-16	6-30-17		
Additional Nonpublic School Transportation Aid	16-495-034-5120-014	1,132.00	N/A	7-1-15	6-30-16	(1,132.00)	
Additional Nonpublic School Transportation Aid	17-495-034-5120-014	2,849.00	N/A	7-1-16	6-30-17		
Total Transportation Aid						(34,540.72)	-
Extraordinary Aid							
Extraordinary Aid	16-100-034-5120-044	86,949.00	N/A	7-1-15	6-30-16	(86,949.00)	
Extraordinary Aid	17-100-034-5120-044	183,597.00	N/A	7-1-16	6-30-17		
Total Extraordinary Aid						(86,949.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	382,213.10	N/A	7-1-15	6-30-16	(18,384.16)	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	388,732.52	N/A	7-1-16	6-30-17		
Total Reimbursed TPAF Social Security Contributions						(18,384.16)	-
Total General Fund						(648,175.16)	-
Capital Projects Fund:							
School Development Authority	5130-060-14-1003	134,502.00	\$ 201,753.00	Until Completion		179,815.50	-
Debt Service Fund:							
New Jersey Department of Education:							
School Construction Debt Service Aid	17-495-034-5120-075	92,721.00	N/A	7-1-16	6-30-17	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Aid	16-100-010-3350-023	2,217.10	N/A	7-1-15	6-30-16	(191.29)	
State School Lunch Aid	17-100-010-3350-023	2,015.65	N/A	7-1-16	6-30-17		
Total Enterprise Fund						(191.29)	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit						(468,550.95)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
TPAF Post Retirement Medical	17-495-034-5094-001	529,352.00	N/A	7-1-16	6-30-17		
Teacher's Pension & Annuity Fund	17-495-034-5094-002	613,090.00	N/A	7-1-16	6-30-17		
TPAF Non-Contributory Insurance	17-495-034-5094-004	22,214.00	N/A	7-1-16	6-30-17		
TPAF Long-Term Disability Insurance	17-495-034-5094-004	1,574.00	N/A	7-1-16	6-30-17		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance						\$ (468,550.95)	-

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

Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017			Memo Only	
					(Accounts Receivable)	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 337,515.67									
3,074,608.92	\$ 3,405,745.00				\$ (331,136.08)			\$ (331,136.08)	\$ 3,405,745.00
46,094.26									
419,897.00	465,120.00				(45,223.00)			(45,223.00)	465,120.00
116,669.75									
1,062,806.50	1,177,271.00				(114,464.50)			(114,464.50)	1,177,271.00
6,568.77									
59,838.39	66,283.00				(6,444.61)			(6,444.61)	66,283.00
726.42									
6,617.31	7,330.00				(712.69)			(712.69)	7,330.00
726.41									
6,617.32	7,330.00				(712.68)			(712.68)	7,330.00
6,454.81	7,150.00				(695.19)			(695.19)	7,150.00
<u>5,145,141.53</u>	<u>5,136,229.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(499,388.75)</u>	<u>-</u>	<u>-</u>	<u>(499,388.75)</u>	<u>5,136,229.00</u>
33,408.72									
304,337.75	337,115.00				(32,777.25)			(32,777.25)	337,115.00
1,132.00									
	2,849.00				(2,849.00)				2,849.00
<u>338,878.47</u>	<u>339,964.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,626.25)</u>	<u>-</u>	<u>-</u>	<u>(32,777.25)</u>	<u>339,964.00</u>
86,949.00									
	183,597.00				(183,597.00)				183,597.00
<u>86,949.00</u>	<u>183,597.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183,597.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,597.00</u>
18,384.16									
359,990.89	388,732.52				(28,741.63)				388,732.52
<u>378,375.05</u>	<u>388,732.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,741.63)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,732.52</u>
5,949,344.05	6,048,522.52				(747,353.63)			(532,166.00)	6,048,522.52
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (179,815.50)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,937.50</u>
92,721.00	92,721.00								92,721.00
191.29									
1,620.07	2,015.65				(395.58)				2,015.65
<u>1,811.36</u>	<u>2,015.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(395.58)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,015.65</u>
6,043,876.41	6,143,259.17		(179,815.50)		(747,749.21)			(532,166.00)	6,165,196.67
529,352.00	529,352.00								529,352.00
613,090.00	613,090.00								613,090.00
22,214.00	22,214.00								22,214.00
1,574.00	1,574.00								1,574.00
<u>1,166,230.00</u>	<u>1,166,230.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,166,230.00</u>
<u>\$ 7,210,106.41</u>	<u>\$ 7,309,489.17</u>	<u>-</u>	<u>\$ (179,815.50)</u>	<u>-</u>	<u>\$ (747,749.21)</u>	<u>-</u>	<u>-</u>	<u>\$ (532,166.00)</u>	<u>\$ 7,331,426.67</u>

**TOWNSHIP OF TABERNACLE SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Tabernacle School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**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 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 June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$9,544.00 for the general fund and (\$3,879.13) for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General		\$ 6,058,066.52	\$ 6,058,066.52
Special Revenue	\$ 264,469.09		264,469.09
Debt Service		92,721.00	92,721.00
Food Service	67,503.37	2,015.65	69,519.02
Total Awards and Financial Assistance	<u>\$ 331,972.46</u>	<u>\$ 6,152,803.17</u>	<u>\$ 6,484,775.63</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: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" in the Schedule of Expenditures of State Financial Assistance represent the cancellation of the remaining local portion of a project in the Capital Projects Fund.

**Note 6: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2017, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs and long-term disability insurance related to TPAF members.

**Note 7: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.



TABERNACLE TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? \_\_\_ yes    X no

    Significant deficiency(ies) identified? \_\_\_ yes    X none reported

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

**Federal Awards**

**Not Applicable**

Internal control over major programs:

    Material weakness(es) identified? \_\_\_ yes    \_\_\_ no

    Significant deficiency(ies) identified? \_\_\_ yes    \_\_\_ none reported

Type of auditor's report issued on compliance for major programs \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)? \_\_\_ yes    \_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(S)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \$ \_\_\_\_\_

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

TABERNACLE TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?

\_\_\_ yes    X no

Significant deficiency(ies) identified?

\_\_\_ yes    X none reported

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

Unmodified

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

\_\_\_ yes    X no

Identification of major programs:

GMIS Number(s)

Name of State Program

\_\_\_\_\_

State Aid Public Cluster: \_\_\_\_\_

17-495-034-5120-078

Equalization Aid

17-495-034-5120-089

Categorical Special Education Aid

17-495-034-5120-084

Categorical Security Aid

17-495-034-5120-085

Adjustment Aid

17-495-034-5120-098

PARCC Readiness

17-495-034-5120-097

Per Pupil Growth Aid

17-495-034-5120-101

Professional Learning Community Aid

Dollar threshold used to determine Type A programs

\$ 750,000.00

Auditee qualified as low-risk auditee?

X yes    \_\_\_ no

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

A Federal Single Audit was not required.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**TABERNACLE TOWNSHIP SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

