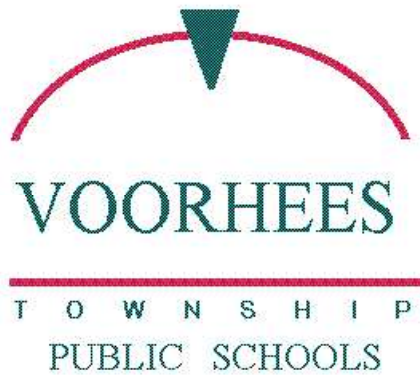


**TOWNSHIP OF VOORHEES
SCHOOL DISTRICT
VOORHEES, NEW JERSEY**



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

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INTRODUCTORY SECTION



Raymond J. Brosel, Jr.
Superintendent of Schools

Frank T. DeBerardinis, Ed.D.
*Assistant Superintendent
For Business/Board Secretary*

329 Route 73
Voorhees, NJ 08043
(856) 751-8446 Ext. 6114

E.T. Hamilton School
Kresson School
Osage School
Signal Hill School
Voorhees Middle School

November 14, 2017

Honorable President and
Members of the Board of Education
Voorhees School District
Camden County
Voorhees, NJ 08043

Dear Board Members:

The comprehensive annual financial report of the Voorhees 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 Voorhees Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects. It 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 the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **THE REPORTING ENTITY AND ITS SERVICES:** The Voorhees Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds in the District are included in this report. The Voorhees Township Board of Education and all its schools constitute the District's reporting entity. The District consists of one middle school, four elementary schools and an administration building. The curriculum provides a full range of educational services appropriate to grade levels Pre-school through 8.

Recognized as one of the highest performing districts in the State, the Voorhees Public Schools provide one of the Township's strongest selling points.

The Voorhees Board of Education and Administration aim to provide the best education in a fiscally responsible manner, and they succeed. For over 20 years, District students have scored in the top ten percentile on national standardized tests. Meanwhile, according to the State Report Card issued by the Department of Education, Voorhees spends less per pupil than the average cost per pupil for the state, county and same socio-economic grouping. Also according to the Report Card, Voorhees Schools employ fewer administrators per student than the state average and have a lower administrative cost per student.

In turn, Township residents have shown approval of, and support for their schools by passing every school budget in the annual school election since 1976 except for 1997 and 2010. This speaks volumes in a State where as many as two out of every four school budgets fail annually. With the defeat of the budget in 2010, the District was sent a message by the community that tax increases in the future will be highly scrutinized during the current economic conditions. The annual vote on the budget was eliminated beginning with the 2012-13 budget year, but the responsibility of the Board to the community remains.

The District occupies and maintains 501,072 square feet of building space and 129.41 acres of land.

Changes in student and staff populations continue to present challenging opportunities in all areas of supportive services. This includes budgeting, purchasing, accounting, payroll, employee benefits, transportation services, food services, buildings and grounds, maintenance and custodial.

All five Voorhees Schools are air conditioned and carpeted. Each features a carpeted gym as well as an all-purpose room, art room, music room, and library. Students can purchase hot lunch at all schools.

The Voorhees Schools are blessed with strong parent participation. Parent Faculty Associations are made up of an independent, autonomous group at each school. Countless parents volunteer in the following capacities; room mothers, library aids, lunch room monitors and classroom helpers. The P/F0's also provide the schools with much appreciated services and equipment through their fund raisers.

The New Jersey State Department of Education rates Voorhees as an "I" on a scale of "A to J", in District Factor Grouping. This is based upon the community's characteristics such as ratable base, educational level of the population, average income, unemployment rate and density of housing. This rating is the same as that of neighboring Mount Laurel, Moorestown and Medford Township.

The District completed the 2016-2017 fiscal year with an enrollment of 2,928.3. The District had experienced a **13 Year increase** in enrollment until 2003 when enrollment began to decline. The following details the changes in the student enrollment of the District over the past 24 years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1993-94	3,167.1	2.9%
1994-95	3,310.3	4.5%
1995-96	3,418.0	3.3%
1996-97	3,493.7	2.2%
1997-98	3,625.8	3.8%
1998-99	3,607.8	-0.5%
1999-00	3,623.1	0.4%
2000-01	3,603.7	-0.5%
2001-02	3,551.1	-1.5%
2002-03	3,610.4	1.7%
2003-04	3,484.7	-3.5%
2004-05	3,448.9	-1.0%
2005-06	3,430.4	-0.5%
2006-07	3,392.5	-1.1%
2007-08	3,336.0	-1.7%
2008-09	3,312.0	-0.7%
2009-10	3,188.5	-3.7%
2010-11	3,189.5	0.0%
2011-12	3,178.6	-0.3%
2012-13	3,108.4	-2.2%
2013-14	3,010.5	-3.2%
2014-15	3,006.0	-0.2%
2015-16	2,954.0	-1.7%
2016-17	2,928.3	-0.9%

2. **MAJOR INITIATIVES:** The District's standardized test scores have continued to range in the 90th percentile for more than 20 years. Research has shown that students in this top ten percentile in the USA score as well as the top ten percentile in any industrialized country in the world.

The Voorhees Schools Computer Instructional Technology Program has been recognized as a model program by the State Department of Education. The elementary schools and middle school feature state of the art computer aided instruction in all grades. All classrooms, libraries, and computer labs feature computers with Internet access and distance learning capabilities. All classrooms in each school are equipped with a Classroom Presentation System which includes a Smartboard, a permanently mounted projector and a computer system. As of September 1, 2014, all Middle School students are issued their own Apple iPad for use in and out of school.

All libraries feature the computerized card catalogue program Destiny.

The Community Education and Recreation Program sponsored by the Board of Education is housed at Voorhees Middle School. The Community Education and Recreation Program offers recreational, vocational, academic and enrichment courses and activities for preschoolers through senior citizens. All CER activities are self-supporting.

The District's special services encompass programs which support, accommodate, or replace the regular education program according to a variety of unique student needs. The staff provides direct services to students with disabilities as well as certain direct and consulting services related to the general school population.

As part of the core curriculum, the District offers an ever expanding STEM program (Science, Technology, Engineering, and Math) and programs in art, music, drama, athletics and many other activities necessary to provide the academic as well as the social skills needed to function in society.

The Public Information Initiative significantly contributes to the success of the District. The overall purpose for Public Information activities is to elicit community support for the schools, to enable the Board of Education to offer every Voorhees child the best education possible. To accomplish this goal the District conducts a planned and organized program of two-way communications between the School District and its public. In short, the public information initiative presents the District's interests to the community, and the community's interests to the schools.

Voorhees has been blessed with a nearly unparalleled cultural diversity, including numerous students who are first generation American born, as well as foreign born. This diversity, along with the latest technology, curriculum, and programs will prepare all of our students to successfully attain the American dream and prosper in the global society of the twenty-first century.

3. **ECONOMIC CONDITION AND OUTLOOK:** State aid and local taxes comprise the two major school revenue sources. However, in recent years both have become unpredictable. These factors, over which the schools have little or no control, have made planning and budgeting an extremely difficult undertaking.

With each new administration in Trenton, new priorities and philosophies have driven the school funding process on the state level. If there has been one constant in the annual state aid scenario, it is the "annual confusion" surrounding the process. Since 1987, the annual amount of state aid to Voorhees Schools has increased by as high as 43% more than the previous year, and decreased by as much as 39%.

The responsibility to provide a thorough and efficient education is the driving force of the budget and the ratable base is the major influence on the resulting tax impact. The ratable base is the total value of real estate in the Township set by the local government as a basis for levying taxes. This includes all business and residential real estate.

However, business ratables generate far more tax revenue than they use in local services. This is particularly true in the case of schools. As a result, a strong business ratable base lightens the school tax burden on homeowners.

From '87 to '90 the Voorhees ratable base grew by 25%. Between '90 and '97 it rose by only 5.6% (failing to keep pace with inflation for the seven year period). In 1999 the ratable base grew by 3.5 percent keeping pace with inflation, but more importantly marking the return to growth for Voorhees Township. However, in 2002 the ratable base grew by only 1.4% and 1.2% in 2003. In 2004, it dropped by an unprecedented \$12.3 million. In 2005 the ratable base grew by 1.03%, thereby marking another return to growth for the Township. In 2006 a reassessment was completed in the Township and the new ratable base was \$3.9 billion. In 2007 the ratable base declined \$36,843,490. The decline was a result of the successful appeals of the 2006 reassessment. In 2008 ratables increased \$30,551,271 as development slowly returned to the community and in 2009 ratables increased \$15,889,856 or .4%. However, ratables decreased \$22,305,753 in 2010, \$874,568 in 2011 and \$26,238,245 in 2012, for a total decrease of \$49,418,566 for the 3 year period. In 2013 another reassessment was completed in the township and the new ratable base was \$3.1 billion. This was a decrease of \$667 million. For 2014 the ratable base increased \$7.7 million to \$3,185,605,381 and \$1.1 million in 2015 to \$3,186,775,596. In 2016 the ratable base decreased \$57 million to \$3,129,697,683. This substantial decrease resulted in a tax increase for the community. However, in 2017 the ratable base increased \$48.6 M which helped stabilize taxes for the community.

Tax appeals, a decrease in new business development and the collapse of the national economy contributed to the decrease in ratable. Business real estate taxes depend on profit. An occupied office building pays more taxes than an empty one. However, there has been an increase in the Business outlook in Voorhees with the opening of the new Medical Center of Virtual hospital including the ancillary service facilities.

A thriving business taxable base can lower the school tax rate and provide schools with valuable revenue. This creates a win-win relationship for the schools and community.

In Voorhees the school system does its part toward strengthening Township taxables. A Board of Education member has served on the Township's Economic Development Committee.

Due to the outstanding reputation of our School District, we continue to attract families seeking an excellent education for their children. According to written and digital press, "Voorhees Township is - outstanding schools... Voorhees Schools rank among the highest in the country." Again this year the Voorhees Public School system was chosen as "One of the Best School Systems" in South Jersey by Courier Post readers.

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.

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

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

The District utilizes zero based budgeting and modified site based management in the budget preparation process. This management philosophy helps to ensure a budget that provides a thorough and efficient education in a frame work of fiscal responsibility.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. These amounts to be re-appropriated are reported as assignments of fund balance as of June 30, 2017

6. **CASH MANAGEMENT:** The investment policy of the District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **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, student accident and fidelity bonds. The Board is a member of the Burlington County Joint Insurance Fund and actively participates in the administration of the Fund.

8. **OTHER INFORMATION:**

(A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Voorhees Township Board of Education at their annual reorganization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State of New Jersey Circular 15-08-OMB. 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.

(B) Acknowledgments - We would like to express our appreciation to the members of the Voorhees Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,

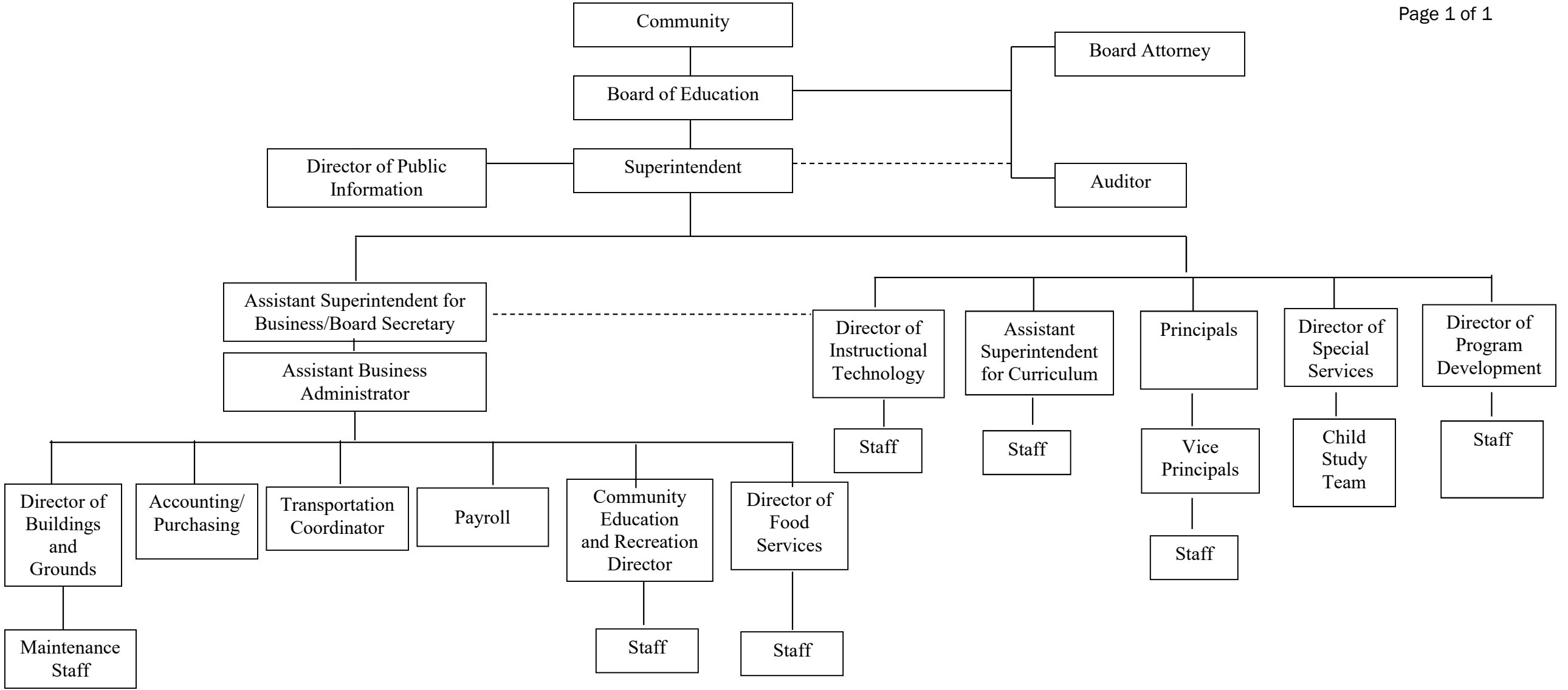


Raymond J. Brosel, Jr.
Superintendent of Schools

FTD:lms



Frank T. DeBerardinis, Ed.D.
Assistant Superintendent
for Business/Board Secretary



VOORHEES TOWNSHIP BOARD OF EDUCATION
VOORHEES, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2017

<u>Members of the Board of Education</u>	<u>TERM EXPIRES</u>
Richard Nelson, President	2018
Barbara Dunleavy, Vice President	2019
Dana Galiano	2020
Bruce Karpf	2018
Denise Kirkland	2019
Marissa Levy	2018
Amy Lynch	2019
John Schmus	2020
Dawn Wallace	2020

Other Officials

Raymond J. Brosel, Superintendent of Schools

Frank T. DeBerardinis, Ed.D, Assistant Superintendent for Business/Board Secretary

Howard Mendelson, Esq. Solicitor

VOORHEES TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043

Attorney

Howard Mendelson
Davis and Mendelson
1200 Laurel Oak Road, Suite 101
Voorhees, NJ 08043

Official Depository

TD Bank
Route 73
Voorhees, NJ 08043

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Voorhees School District
County of Camden

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 Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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.

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 Voorhees School District, in the County of Camden, 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 Voorhees School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 schedules of expenditures of federal awards and state financial assistance, 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), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are 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 13, 2017 on our consideration of the Township of Voorhees 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 Voorhees School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 13, 2017

**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 Voorhees School District
County of Camden

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 Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 13, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Voorhees 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 Voorhees 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 Voorhees 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
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 13, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

Voorhees Township School District

Management's Discussion and Analysis Year Ended June 30, 2017

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

The Management's Discussion and Analysis (MD&A) is an element initiated as of June 30, 2003 as part of the Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2016-17) and the prior year (2015-16) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year include the following:

- Net Position at June 30, 2017 for Governmental and Business-Type activities were \$32,748,941 and \$3,106,241, respectively, totaling \$35,855,182.
- Net Position for both activities increased by \$3,263,126 from July 1, 2016 to June 30, 2017.
- The General Fund fund balance as of June 30, 2017 was \$21,016,918, an increase of \$5,723,552 when compared with the beginning balance as of July 1, 2016 of \$15,293,367.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Voorhees Township School District.

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

Voorhees Township School District
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)
 Year Ended June 30, 2017

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Voorhees Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the District operates similar to private businesses: Food Service Fund, Community Education and Recreation Fund
Required Financial Statements	Statements of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses and changes in fund net position
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

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

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

Government-wide Statements (Cont'd)

The two government-wide statements report the Voorhees Township School District's net position and how they have changed. Net position – the District's assets and deferred outflows of resources, less deferred inflows of resources and liabilities – is a measure of the District's financial health or position.

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

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Community Education and Recreation Fund are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

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

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE VOORHEES TOWNSHIP SCHOOL DISTRICT AS A WHOLE

Net Position. The District's net position for **governmental and business-type activities** were \$32,748,941 and \$3,106,241, totaling \$35,855,182, as of June 30, 2017 (See Table A-2).

	2017	2016	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current and Other Assets	\$ 26,064,199	\$ 20,501,465	\$ 5,562,734	27.1%
Capital Assets	<u>31,310,350</u>	<u>33,010,260</u>	<u>(1,699,910)</u>	<u>-5.1%</u>
Total Assets	<u>57,374,549</u>	<u>53,511,725</u>	<u>3,862,824</u>	<u>7.2%</u>
Deferred Outflow of Resources	<u>6,540,624</u>	<u>3,450,862</u>	<u>3,089,762</u>	<u>89.5%</u>
Long-Term Liabilities	27,257,547	22,406,914	4,850,634	21.6%
Other Liabilities	<u>779,398</u>	<u>1,719,859</u>	<u>(940,461)</u>	<u>-54.7%</u>
Total Liabilities	<u>28,036,945</u>	<u>24,126,773</u>	<u>3,910,173</u>	<u>16.2%</u>
Deferred Inflow of Resources	<u>23,045</u>	<u>243,758</u>	<u>(220,713)</u>	<u>-90.5%</u>
Net Position:				
Net Investment in Capital Assets	25,737,391	26,534,222	(796,830)	-3.0%
Restricted	21,308,425	15,618,765	5,689,660	36.4%
Unrestricted (Deficit)	<u>(11,190,634)</u>	<u>(9,560,930)</u>	<u>(1,629,704)</u>	<u>17.0%</u>
	<u>\$ 35,855,182</u>	<u>\$ 32,592,057</u>	<u>\$ 3,263,125</u>	<u>10.0%</u>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$20,837,158.
 - ✓ Charges for Services--\$2,219,661.
 - ✓ Operating Grants & Contributions--\$18,617,497.
- General revenues amounted to \$51,639,065.
- Net Expenditures were \$48,375,940.
- Total District revenues & beginning position are adjusted by net adjusted expenditures resulting in a calculation of net position of \$35,855,182 as of June 30, 2017.
- General Revenues (\$51,639,065) + Beginning position (\$32,592,057) – Net expenditures (\$48,375,940) = Net Position of \$35,855,182.

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

Change in Net Position. Net position for **governmental and business-type activities** increased by \$3,263,125 from July 1, 2016 to June 30, 2017 (See Table A-3).

	2017	2016	Increase / (Decrease)
Revenues			
Program revenues:			
Charges for services	\$ 2,219,661	\$ 2,215,734	\$ 3,927
Operating Grants and Contributions	18,617,497	14,331,605	4,285,892
General revenues			
Property taxes	44,812,136	44,059,316	752,820
State and Federal Aid	6,210,779	6,219,301	(8,522)
Other	616,150	329,384	286,767
Total revenues	<u>72,476,223</u>	<u>67,155,339</u>	<u>5,320,884</u>
Expenses			
Governmental Activities:			
Instruction:			
Regular	16,636,876	16,646,158	(9,281)
Special Education	5,766,736	5,620,710	146,026
Other Instruction	964,256	976,936	(12,680)
Community Service Programs	30,832	30,832	
Support Services:			
Tuition	1,290,057	1,183,880	106,177
Student & Instruction Related Services	4,305,117	4,247,759	57,358
School Administrative Services	1,358,653	1,333,516	25,137
General and Business Administrative Services	2,417,456	2,361,241	56,214
Plant Operations and Maintenance	4,429,023	4,607,056	(178,033)
Pupil Transportation	2,198,984	2,341,166	(142,182)
Unallocated Benefits	27,001,671	21,278,558	5,723,113
Transfers to Charter Schools	13,641	40,085	(26,444)
Interest on Long-term Debt	176,104	258,522	(82,419)
Unallocated Depreciation	18,082	18,082	
Total Expenses--Governmental Activities	<u>66,607,488</u>	<u>60,944,501</u>	<u>5,662,987</u>
Business-Type Activities:			
Food Service	992,965	905,010	87,955
CER	1,612,645	1,483,036	129,609
Total Expenses--Business-Type Activities	<u>2,605,610</u>	<u>2,388,046</u>	<u>217,563</u>
Total Expenses	<u>69,213,098</u>	<u>63,332,547</u>	<u>5,880,551</u>
Net Increase/(Decrease) in Net Position	<u>3,263,126</u>	<u>3,822,792</u>	<u>(559,666.53)</u>
Net Position July 1	<u>32,592,057</u>	<u>28,769,265</u>	<u>3,822,792</u>
Net Position June 30	<u>\$ 35,855,182</u>	<u>\$ 32,592,057</u>	<u>\$ 3,263,125</u>

Voorhees Township School District
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)
 Year Ended June 30, 2017

Change in Net Position (Cont'd). Total revenues for the District were \$72,476,223. Unrestricted government funding was the source of 8.57% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$44,812,136 provided 61.83% of revenues.

Other miscellaneous revenues of \$616,150 represent 0.85% of the District revenues.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$24,688,758 (37.07%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$6,504,101 (9.76%) of total expenditures. (See Table A-3).

Total revenues exceeded expenses for governmental activities, increasing net position \$3,378,184 from the beginning balance as of July 1, 2016.

The District's net cost of services for governmental activities was \$48,236,176 for the year ended June 30, 2017. (See Table A-4).

Table A-4		
Voorhees Township School District's Net Cost of Governmental Activities For the Year Ended June 30, 2017		
Governmental Activities:	Total Cost of Services	Net Cost of Services
Instruction:		
Regular	\$16,636,876	\$15,587,910
Special Education	5,766,736	5,766,736
Other Instruction	964,256	964,256
Community Service Programs	30,832	30,832
Support Services:		
Tuition	1,290,057	1,290,057
Student & Instruction Related Services	4,305,117	4,129,815
School Administrative Services	1,358,653	1,358,653
General and Business Administrative Services	2,417,456	2,417,456
Plant Operations and Maintenance	4,429,023	4,429,023
Pupil Transportation	2,198,984	2,198,984
Unallocated Benefits	27,001,671	9,909,732
Transfers to Charter Schools	13,641	13,641
Interest on Long-term Debt	176,104	120,999
Unallocated Depreciation	18,082	18,082
Total Governmental Activities	<u>\$ 66,607,488</u>	<u>\$ 48,236,176</u>

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Student and instruction related services include the activities designed to assess and improve the well-being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt and amortization of bond issuance costs involve the transactions associated with the payment of interest and other related charges to the debt of the District.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Voorhees Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$22,515,753. As of June 30, 2016, the fund balance was \$16,866,537. The General Fund balance increased by \$5,723,552.

The Governor reduced State Aid to school districts during the 2009-2010 school year and forced districts to draw on available financial resources to compensate for his initiatives. In essence, he utilized the financial strength and well managed local school districts to "bail out" the State. Over the subsequent Six Budget years, the District has been able to return to a strong financial position by reinvesting funds in the emergency reserve for the general fund, the capital reserve for capital projects and repayment of debt and the maintenance reserve for required maintenance of the facilities.

All governmental funds had total revenues of \$58,932,438 and total expenditures of \$53,283,222.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

Voorhees Township School District
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)
 Year Ended June 30, 2017

General Fund Revenues. The following schedule (Table A-5) presents a summary of General Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Table A-5				
Voorhees Township School District Summary of General Fund Revenues				
	Year Ended June 30, 2017	Year Ended June 30, 2016	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local sources:				
Local tax levy	\$ 44,762,136	\$ 43,884,447	\$ 877,689	2.0%
Miscellaneous	605,426	324,065	281,362	86.8%
Total - Local Sources	45,367,562	44,208,512	1,159,051	2.6%
State Sources	11,893,100	11,355,493	537,607	4.7%
Federal Sources	44,458	41,656	2,802	6.7%
Total - Gov't Sources	11,937,558	11,397,149	540,409	4.7%
Total Revenues	\$57,305,120	\$55,605,661	\$1,699,460	3.1%

The primary source of funding for the District is received from local property taxes that accounted for 78.11% of total revenues. State aid accounted for 20.75% of total revenues.

Total General Fund revenues increased by \$1,699,460 or 3.1% from the previous year.

State aid revenue was supposed to be determined by a formula under the School Funding Reform Act of 2008 for the 2017-2018 fiscal year. This new funding formula utilizes wealth in the calculation for special education aid moving this aid from categorical aid. This will continue to result in future shortfalls in funding of over \$3 million per year going forward if wealth had not been a determining factor. This is an irresponsible function of the new funding formula since the State determined the additional costs of special education is approximately \$11,000 per student for all special education students throughout the state of New Jersey. However, during the fiscal year, the Governor continued to arbitrarily devise a new formula to reduce State Aid to some local school districts and increase aid to others to compensate for the State of New Jersey's incompetence.

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

General Fund Expenditures. The following schedule (Table A-6) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

	Year Ended June 30, 2017	Year Ended June 30, 2016	Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
Current:				
Regular Instruction	\$ 14,842,124	\$ 14,778,959	\$ 63,165	0.4%
Special Education Instruction	5,766,736	5,620,710	146,026	2.6%
Other Instruction	964,256	976,936	(12,680)	-1.3%
Support Services and Undistributed Costs:				
Tuition	1,290,057	1,183,880	106,177	9.0%
Student & Instruction Related Services	4,086,153	4,041,061	45,092	1.1%
School Administrative Services	1,322,106	1,296,969	25,137	1.9%
Other Administrative Services	2,095,513	1,993,106	102,406	5.1%
Plant Operations and Maintenance	3,788,652	4,300,410	(511,758)	-11.9%
Pupil Transportation	2,198,984	2,341,166	(142,182)	-6.1%
Unallocated Employee Benefits	14,468,948	13,496,251	972,697	7.2%
Transfers to Charter Schools	13,641	40,085	(26,444)	-66.0%
Capital Outlay	119,301	2,554,451	(2,435,150)	-95.3%
Total Expenditures	<u>\$ 50,956,471</u>	<u>\$ 52,623,983</u>	<u>\$ (1,667,512)</u>	<u>-3.2%</u>

Total General Fund expenditures decreased \$1,667,512 or 3.2% from the previous year. The largest component of this decrease was decreased capital outlay expenditures mostly related to the purchase of equipment and the roof replacement at the Signal Hill school in 2015-2016. Also contributing to this decrease were decreased costs for plant operations and maintenance and pupil transportation. Costs for employee benefits increased from the previous year.

The Voorhees Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide property tax relief were \$1,406,179 for the 2016-17 school year and \$1,025,326 for the 2017-18 school year. During the 2017-18 school year, the District utilized funds from capital reserve and unassigned fund balance to address needs of the District.

The District has continued the practice of returning surplus funds to taxpayers in the subsequent budget years. However, in June of 2004 the State of New Jersey passed legislation (SR1701) that weakened the financial position of all school districts. The legislation immediately reduced fund balance to a maximum of 3% as of June 30, 2004 and a maximum of 2% as of June 30, 2005 and each year thereafter. The District was left with a fund balance that will not cover one payroll which could result in a negative cash flow if local taxes, federal and state aid are not received in a timely manner. The State of New Jersey has gone from fiscal irresponsibility to fiscal chaos to fiscal ineptness. It appears the legislature is trying to financially weaken school districts as they have accomplished with the State of New Jersey. The Legislature, in June of 2011, passed Chapter 78, P.L.2011, in an attempt to improve the solvency of the Pension Fund, of course this turned out to be another failed attempt! In addition, the Governor allocated additional State Aid to be appropriated in 2011-2012 or saved for subsequent budgets up to 2013-2014 and again increased aid for some districts for the 2017-18 while reducing aid to others. We were fortunate to some extent as our aid remained the same.

During the course of the 2016-17 school year, the District made General Fund budget transfers as needed to ensure no line item was projected to be over-expended.

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$1,091,575, of which \$50,000 in funding was provided by the local tax levy, \$350,583 was received as aid from the State and \$690,992 was budgeted fund balance.

FOOD SERVICE FUND

The Food Service Fund had net position of \$391,779 as of June 30, 2017. This reflects a decrease of \$151,147 from June 30, 2016. The reduction was largely attributed to the sudden and unexpected retirement of the Director, moving to a Food Service Management Company and upgrades to equipment and serving lines.

COMMUNITY EDUCATION AND RECREATION PROGRAM (CER)

The CER Program had net position of \$2,714,462 as of June 30, 2017. This reflects an increase of \$36,089 from June 30, 2016.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2017, the District had capital assets with a book value of \$31,310,350. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment and administrative offices. (See Table A-7). Total depreciation expense for the year was \$1,878,197.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 6,399,000	\$ 6,399,000			\$ 6,399,000	\$ 6,399,000
Construction in Progress		1,643,605				1,643,605
Buildings and Improvements	52,709,641	51,066,036			52,709,641	51,066,036
Furnishings and Equipment	7,633,384	7,510,533	\$ 1,061,536	\$ 1,002,550	8,694,920	8,513,083
Total Capital Assets	66,742,025	66,619,174	1,061,536	1,002,550	67,803,561	67,621,724
Less:						
Accumulated Depreciation	(35,607,078)	(33,763,821)	(886,133)	(847,643)	(36,493,211)	(34,611,464)
Net Capital Assets	<u>\$ 31,134,947</u>	<u>\$ 32,855,353</u>	<u>\$ 175,403</u>	<u>\$ 154,907</u>	<u>\$ 31,310,350</u>	<u>\$ 33,010,260</u>

Voorhees Township School District
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)
 Year Ended June 30, 2017

Long-term Obligations

At year-end, the District had \$5,635,000 in general obligation bonds outstanding, a decrease of \$920,000 from last year. The net pension liability was \$19,960,914, an increase of \$4,800,004 from last year (See Table A-8).

The District had a \$1,555,179 liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. The liability for Compensated Absences was calculated utilizing an expected retirement age of 55, which is the minimum retirement age with 25 years of service. In the future, this calculation will be revised as new pension laws are enacted, effecting minimum retirement age.

Table A-8				
Voorhees Township School District				
Long Term Debt Schedule				
<u>Governmental Activity</u>	<u>Balance at</u>	<u>Balance at</u>	<u>Increase/</u>	<u>%</u>
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>(Decrease)</u>	<u>Change</u>
General Obligation Bonds Payable	\$ 5,635,000	\$ 6,555,000	\$ (920,000)	-14.0%
Net Pension Liability	19,960,914	15,160,910	4,800,004	31.7%
Compensated Absences	<u>1,555,179</u>	<u>1,489,592</u>	<u>65,588</u>	<u>4.4%</u>
Total	<u>\$ 27,151,093</u>	<u>\$ 23,205,502</u>	<u>\$ 3,945,592</u>	<u>17.0%</u>

THE FUTURE OUTLOOK

Historical Perspective: The Governor has implemented financial measures to cope with the State of New Jersey's growing budget deficit. The result of these measures was a \$4.3 million reduction in State Aid for the Voorhees Township School District during the 2009-2010 school year. We were able to financially stabilize the District through appropriation of District reserves, a freeze in District spending during the 2009-2010 school year, additional reductions in spending for the 2010-2011 school year and a 3¢ tax increase for the 2010-2011 budget. The tax increase was in line with past increases, but was not acceptable to the community during economic conditions at the time. However, the community approved a 3.6¢ tax increase for the 2011-2012 budget in order to stabilize the District after a reduction in spending of \$1.9 million, a salary freeze for all administrators, and a favorable Collective Bargaining Agreement supported by the Association.

Future Outlook: We must now function within the newly enacted economic parameters established by the Governor and State Legislators. The Legislature passed a 2% cap on the tax levy, with limited exceptions. The District compensated for the one-time loss of \$4.3 million in State Aid and the overall lowering of State Aid going forward while complying with the new, more restrictive 2% cap on the tax levy.

In order to meet this extraordinary challenge, we have implemented a comprehensive solution which will have a significant impact on the way in which the District will function in the future. With input from the community, we clearly established the core services the District must provide to our students to ensure a superior education. We also challenged the community to define the overall educational environment they desired for their children through their vote on the 2011-2012 budget approving a 3.6¢ tax increase. However, before we challenged the community, we challenged ourselves as demonstrated through the Board and Association negotiating a Collective Bargaining Agreement that will permit the District to continue to provide a superior education and the ability to meet the needs of all children.

Voorhees Township School District
Voorhees, New Jersey

Management's Discussion and Analysis (continued)
Year Ended June 30, 2017

Notwithstanding the adoption of the fiscal plan for 2011-2012, the 2012-13, 2013-14, 2014-15 and 2016-17 budgets required continued fiscal austerity, especially in the area of collective bargaining and discretionary spending. The actions required to move the District into compliance with the new economic parameters and maintain a quality education are significant, but achievable.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Frank T. DeBerardinis, Ed.D., Assistant Superintendent for Business/Board Secretary at:

Voorhees Township School District, 329 Rt. 73, Voorhees, New Jersey 08043.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 2,038,830.34	\$ 2,965,126.20	\$ 5,003,956.54
Receivables, net	652,758.65	16,502.21	669,260.86
Inventory		15,783.43	15,783.43
Prepaid Expenses	420,963.00		420,963.00
Restricted Assets:			
Restricted Cash and Cash Equivalents	4,826,697.52		4,826,697.52
Capital Reserve Account - Cash	15,127,537.38		15,127,537.38
Capital Assets, net	31,134,947.00	175,402.95	31,310,349.95
Total Assets	54,201,733.89	3,172,814.79	57,374,548.68
DEFERRED OUTFLOW OF RESOURCES:			
Deferred Loss on Refunding of Debt Related to Pensions	168,495.00		168,495.00
	6,372,129.00		6,372,129.00
Total Deferred Outflows of Resources	6,540,624.00	-	6,540,624.00
LIABILITIES:			
Accounts Payable	645,086.89		645,086.89
Internal Balances	123.34	(123.34)	
Payable to State Government	84,580.00		84,580.00
Accrued Interest on Bonds	44,800.00		44,800.00
Noncurrent Liabilities:			
Due within One Year	932,487.50		932,487.50
Due beyond One Year	26,261,822.21	63,237.50	26,325,059.71
Total Liabilities	27,970,371.94	66,573.41	28,036,945.35
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	23,045.00	-	23,045.00
NET POSITION:			
Net Investment in Capital Assets	25,561,988.23	175,402.95	25,737,391.18
Restricted for:			
Debt Service	622,065.88		622,065.88
Capital Projects	15,959,505.78		15,959,505.78
Other Purposes	4,726,853.33		4,726,853.33
Unrestricted	(14,121,472.28)	2,930,838.43	(11,190,633.85)
Total Net Position	\$ 32,748,940.95	\$ 3,106,241.38	\$ 35,855,182.33

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

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,636,876.15		\$ 1,048,966.03		\$ (15,587,910.12)		\$ (15,587,910.12)
Special Education	5,766,736.29				(5,766,736.29)		(5,766,736.29)
Other Special Instruction	706,689.18				(706,689.18)		(706,689.18)
Other Instruction	257,566.92				(257,566.92)		(257,566.92)
Community Services Programs / Operations	30,832.00				(30,832.00)		(30,832.00)
Support Services:							
Tuition	1,290,057.40				(1,290,057.40)		(1,290,057.40)
Student and Instruction Related Services	4,305,117.31		175,302.67		(4,129,814.64)		(4,129,814.64)
School Administrative Services	1,358,652.94				(1,358,652.94)		(1,358,652.94)
General and Business Administrative Services	2,417,455.76				(2,417,455.76)		(2,417,455.76)
Plant Operations and Maintenance	4,429,022.77				(4,429,022.77)		(4,429,022.77)
Pupil Transportation	2,198,983.94				(2,198,983.94)		(2,198,983.94)
Unallocated Benefits	27,001,670.54		17,091,938.43		(9,909,732.11)		(9,909,732.11)
Transfer to Charter Schools	13,641.00				(13,641.00)		(13,641.00)
Interest on Long-Term Debt	176,103.66		55,105.03		(120,998.63)		(120,998.63)
Unallocated Depreciation	18,082.00				(18,082.00)		(18,082.00)
Total Governmental Activities	66,607,487.86	-	18,371,312.16	-	(48,236,175.70)	-	(48,236,175.70)
Business-Type Activities:							
Food Service	992,964.77	\$ 594,384.10	246,184.88			\$ (152,395.79)	(152,395.79)
Community Education and Recreation	1,612,645.04	1,625,276.98				12,631.94	12,631.94
Total Business-Type Activities	2,605,609.81	2,219,661.08	246,184.88	-	-	(139,763.85)	(139,763.85)
Total Government	\$ 69,213,097.67	\$ 2,219,661.08	\$ 18,617,497.04	\$ -	(48,236,175.70)	(139,763.85)	(48,375,939.55)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					44,762,136.00		44,762,136.00
Taxes Levied for Debt Service					50,000.00		50,000.00
Federal and State Aid not Restricted					6,194,331.53	16,447.64	6,210,779.17
Investment Earnings					70,174.43	8,257.67	78,432.10
Miscellaneous Income					537,717.98		537,717.98
Total General Revenues					51,614,359.94	24,705.31	51,639,065.25
Change in Net Position					3,378,184.24	(115,058.54)	3,263,125.70
Net Position -- July 1					29,370,756.71	3,221,299.92	32,592,056.63
Net Position -- June 30					\$ 32,748,940.95	\$ 3,106,241.38	\$ 35,855,182.33

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 5,371,601.60		\$ 829,525.93	\$ 664,400.33	\$ 6,865,527.86
Interfund Accounts Receivable	172,208.00		4,908.02	2,465.55	179,581.57
Receivables from Other Governments	394,498.65	\$ 258,260.00			652,758.65
Restricted Cash and Cash Equivalents	<u>15,127,537.38</u>				<u>15,127,537.38</u>
Total Assets	<u>\$ 21,065,845.63</u>	<u>\$ 258,260.00</u>	<u>\$ 834,433.95</u>	<u>\$ 666,865.88</u>	<u>\$ 22,825,405.46</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfund Accounts Payable	\$ 48,927.25	\$ 172,208.00	\$ 2,465.55		\$ 223,600.80
Payable to State Government		84,580.00			84,580.00
Unearned Revenue		<u>1,472.00</u>			<u>1,472.00</u>
Total Liabilities	<u>48,927.25</u>	<u>258,260.00</u>	<u>2,465.55</u>	<u>-</u>	<u>309,652.80</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	15,127,537.38				15,127,537.38
Emergency Reserve	466,639.26				466,639.26
Maintenance Reserve	2,866,132.00				2,866,132.00
Excess Surplus	368,756.07				368,756.07
Capital Projects			831,968.40		831,968.40
Debt Service				\$ 666,865.88	666,865.88
Excess Surplus--Designated for Subsequent Year's Expenditures	1,025,326.00				1,025,326.00
Assigned:					
Designated for Subsequent Year's Expenditures	2,957.35				2,957.35

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (CONT'D):					
Fund Balances (Continued):					
Unassigned	\$ 1,159,570.32				\$ 1,159,570.32
Total Fund Balances	<u>21,016,918.38</u>	-	\$ 831,968.40	\$ 666,865.88	22,515,752.66
Total Liabilities and Fund Balances	<u>\$ 21,065,845.63</u>	<u>\$ 258,260.00</u>	<u>\$ 834,433.95</u>	<u>\$ 666,865.88</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					(44,800.00)
Governmental funds report prepaid expenses as expenditures when the payments are made under the purchases method, whereas these amounts are recognized as an asset on the statement of net position.					420,963.00
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$66,734,925.00 and the accumulated depreciation is \$35,599,978.00.					31,134,947.00
Deferred loss on refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.					168,495.00
Long-term liabilities, including bonds payable, compensated absences payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(27,194,309.71)
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.					6,349,084.00
Accounts Payable related to the April 1, 2018 Required PERS pension contribution that is not to be liquidated with current financial resources.					<u>(601,191.00)</u>
Net Position of governmental activities					<u>\$ 32,748,940.95</u>

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

TOWNSHIP OF VOORHEES 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
REVENUES:					
Local Tax Levy	\$ 44,762,136.00			\$ 50,000.00	\$ 44,812,136.00
Miscellaneous	605,426.49		\$ 2,465.57		607,892.06
State Sources	11,893,100.30	\$ 168,147.52		350,583.00	12,411,830.82
Federal Sources	44,457.69	1,056,121.18			1,100,578.87
	<u>57,305,120.48</u>	<u>1,224,268.70</u>	<u>2,465.57</u>	<u>400,583.00</u>	<u>58,932,437.75</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	14,842,124.12	1,048,966.03			15,891,090.15
Special Education Instruction	5,766,736.29				5,766,736.29
Other Special Instruction	706,689.18				706,689.18
Other Instruction	257,566.92				257,566.92
Support Services and Undistributed Costs:					
Tuition	1,290,057.40				1,290,057.40
Student and Instruction Related Services	4,086,152.64	175,302.67			4,261,455.31
School Administrative Services	1,322,105.94				1,322,105.94
Other Administrative Services	2,095,512.74		10,908.02		2,106,420.76
Plant Operations and Maintenance	3,788,651.77				3,788,651.77
Pupil Transportation	2,198,983.94				2,198,983.94
Unallocated Benefits	14,468,948.04				14,468,948.04
Transfer to Charter Schools	13,641.00				13,641.00
Debt Service:					
Principal				920,000.00	920,000.00
Interest and Other Charges				171,575.00	171,575.00
Capital Outlay	119,300.65				119,300.65
	<u>50,956,470.63</u>	<u>1,224,268.70</u>	<u>10,908.02</u>	<u>1,091,575.00</u>	<u>53,283,222.35</u>
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures	<u>6,348,649.85</u>	<u>-</u>	<u>(8,442.45)</u>	<u>(690,992.00)</u>	<u>5,649,215.40</u>

(Continued)

TOWNSHIP OF VOORHEES 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
OTHER FINANCING SOURCES (USES):					
Operating Transfers	\$ (625,098.00)	-	\$ (2,465.57)	\$ 627,563.57	-
Total Other Financing Sources and Uses	<u>(625,098.00)</u>	<u>-</u>	<u>(2,465.57)</u>	<u>627,563.57</u>	<u>-</u>
Net Change in Fund Balances	5,723,551.85	-	(10,908.02)	(63,428.43)	\$ 5,649,215.40
Fund Balance -- July 1	<u>15,293,366.53</u>	<u>-</u>	<u>842,876.42</u>	<u>730,294.31</u>	<u>16,866,537.26</u>
Fund Balance -- June 30	<u>\$ 21,016,918.38</u>	<u>\$ -</u>	<u>\$ 831,968.40</u>	<u>\$ 666,865.88</u>	<u>\$ 22,515,752.66</u>

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

TOWNSHIP OF VOORHEES 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		\$ 5,649,215.40
<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	\$ (1,839,707.00)	
Capital Outlays	<u>119,301.00</u>	
		(1,720,406.00)
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.		920,000.00
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect 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 these differences in the treatment of long-term debt and related items.		(16,920.33)
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. This amount is the net effect of the difference in the treatment of interest on long-term debt.		12,391.67
In the statement of activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of the difference in treatment of compensated absences.		(33,462.50)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of the difference in the treatment of prepaid expenses.		13,392.00
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 pension benefits earned exceeded the School District's pension contributions in the current period.		<u>(1,446,026.00)</u>
Change in Net Position of Governmental Activities		<u>\$ 3,378,184.24</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 324,994.64	\$ 2,640,131.56	\$ 2,965,126.20
Intergovernmental Accounts Receivable:			
State	680.39		680.39
Federal	15,821.82		15,821.82
Interfunds Receivable	123.34		123.34
Inventories	15,783.43		15,783.43
Total Current Assets	<u>357,403.62</u>	<u>2,640,131.56</u>	<u>2,997,535.18</u>
Noncurrent Assets:			
Furnishings and Equipment	851,701.00	209,834.95	1,061,535.95
Less Accumulated Depreciation	<u>(788,766.00)</u>	<u>(97,367.00)</u>	<u>(886,133.00)</u>
Total Noncurrent Assets	<u>62,935.00</u>	<u>112,467.95</u>	<u>175,402.95</u>
Total Assets	<u>420,338.62</u>	<u>2,752,599.51</u>	<u>3,172,938.13</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	<u>3,459.25</u>	<u>-</u>	<u>3,459.25</u>
Total Current Liabilities	<u>3,459.25</u>	<u>-</u>	<u>3,459.25</u>
Noncurrent Liabilities:			
Compensated absences	<u>25,100.00</u>	<u>38,137.50</u>	<u>63,237.50</u>
Total Liabilities	<u>28,559.25</u>	<u>38,137.50</u>	<u>66,696.75</u>
NET POSITION:			
Net Investment in Capital Assets	62,935.00	112,467.95	175,402.95
Unrestricted	<u>328,844.37</u>	<u>2,601,994.06</u>	<u>2,930,838.43</u>
Total Net Position	<u>\$ 391,779.37</u>	<u>\$ 2,714,462.01</u>	<u>\$ 3,106,241.38</u>

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

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 391,888.55		\$ 391,888.55
Daily Sales - Non-Reimbursable Programs	167,610.21		167,610.21
Special Functions	23,525.30		23,525.30
Miscellaneous	11,360.04		11,360.04
Community Service Activities		<u>\$ 1,625,276.98</u>	<u>1,625,276.98</u>
Total Operating Revenues	<u>594,384.10</u>	<u>1,625,276.98</u>	<u>2,219,661.08</u>
OPERATING EXPENSES:			
Salaries	367,723.64	1,069,526.58	1,437,250.22
Employee Benefits	89,200.11	230,824.60	320,024.71
Other Professional Services	59,655.50	8,000.00	67,655.50
Transportation		8,222.00	8,222.00
Other Purchased Services	19,800.00		19,800.00
Travel	637.64		637.64
General Supplies	34,892.11	204,238.64	239,130.75
Depreciation	10,646.00	27,844.00	38,490.00
Cost of Sales:			
Reimbursable programs	250,644.68		250,644.68
Non-reimbursable programs	72,566.00		72,566.00
Miscellaneous Expense	<u>87,199.09</u>	<u>63,989.22</u>	<u>151,188.31</u>
Total Operating Expenses	<u>992,964.77</u>	<u>1,612,645.04</u>	<u>2,605,609.81</u>
Operating Income (Loss)	<u>(398,580.67)</u>	<u>12,631.94</u>	<u>(385,948.73)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	7,729.71		7,729.71
Federal Sources:			
National School Lunch Program	176,510.50		176,510.50
National School Breakfast Program	3,885.82		3,885.82
Food Distribution Program	58,058.85		58,058.85
Child Care Certificate Program		16,447.64	16,447.64
Interest and Investment Revenue	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Total Nonoperating Revenues (Expenses)	<u>247,433.54</u>	<u>23,456.65</u>	<u>270,890.19</u>
Change in Net Position	(151,147.13)	36,088.59	(115,058.54)
Total Net Position -- July 1	<u>542,926.50</u>	<u>2,678,373.42</u>	<u>3,221,299.92</u>
Total Net Position -- June 30	<u>\$ 391,779.37</u>	<u>\$ 2,714,462.01</u>	<u>\$ 3,106,241.38</u>

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

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 594,384.10	\$ 1,625,276.98	\$ 2,219,661.08
Payments to Employees	(367,723.64)	(1,069,526.58)	(1,437,250.22)
Payments for Employee Benefits	(82,825.11)	(205,074.60)	(287,899.71)
Payments to Suppliers	<u>(537,309.04)</u>	<u>(284,449.86)</u>	<u>(821,758.90)</u>
Net Cash Provided by (used for) Operating Activities	<u>(393,473.69)</u>	<u>66,225.94</u>	<u>(327,247.75)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
State Sources	7,652.06		7,652.06
Federal Sources	240,359.79		240,359.79
Other Sources		<u>16,447.64</u>	<u>16,447.64</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>248,011.85</u>	<u>16,447.64</u>	<u>264,459.49</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	<u>(29,694.00)</u>	<u>(29,292.00)</u>	<u>(58,986.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(29,694.00)</u>	<u>(29,292.00)</u>	<u>(58,986.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Net Cash Provided by (used for) Investing Activities	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(173,907.18)	60,390.59	(113,516.59)
Balances -- July 1	<u>498,901.82</u>	<u>2,579,740.97</u>	<u>3,078,642.79</u>
Balances -- June 30	<u>\$ 324,994.64</u>	<u>\$ 2,640,131.56</u>	<u>\$ 2,965,126.20</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (398,580.67)	\$ 12,631.94	\$ (385,948.73)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	10,646.00	27,844.00	38,490.00
(Increase) Decrease in Inventories	(11,914.02)		(11,914.02)
Increase (Decrease) in Compensated Absences Payable	<u>6,375.00</u>	<u>25,750.00</u>	<u>32,125.00</u>
Total Adjustments	<u>5,106.98</u>	<u>53,594.00</u>	<u>58,700.98</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (393,473.69)</u>	<u>\$ 66,225.94</u>	<u>\$ (327,247.75)</u>

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

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2017

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>Unemployment Compensation</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 663,420.51	\$ 5,845.56	\$ 20,757.36	\$ 81,050.25
Other Accounts Receivable				2,000.88
Intrafund Accounts Receivable	13,060.32			
Interfund Accounts Receivable	<u>54,804.00</u>			
Total Assets	<u>731,284.83</u>	<u>5,845.56</u>	<u>\$ 20,757.36</u>	<u>\$ 83,051.13</u>
LIABILITIES:				
Accounts Payable	9,166.46			
Intrafund Accounts Payable				\$ 13,060.32
Interfund Accounts Payable		4,908.02		6,000.09
Payable to Student Groups			\$ 20,757.36	
Payroll Deductions and Withholdings				<u>63,990.72</u>
Total Liabilities	<u>9,166.46</u>	<u>4,908.02</u>	<u>\$ 20,757.36</u>	<u>\$ 83,051.13</u>
NET POSITION:				
Held in Trust for:				
Unemployment Claims and Other Purposes	722,118.37			
Scholarships		<u>937.54</u>		
Total Net Position	<u>\$ 722,118.37</u>	<u>\$ 937.54</u>		

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

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

	Private-Purpose Trust Funds	
	Unemployment Compensation Trust	Scholarship Fund
ADDITIONS:		
Contributions:		
Employee Salary Deductions	\$ 43,813.14	
Board Contributions	54,804.00	
Investment Earnings:		
Interest	1,545.62	\$ 8.69
Total Additions	100,162.76	8.69
DEDUCTIONS:		
Unemployment Claims	14,505.61	
Scholarships		300.00
Total Deductions	14,505.61	300.00
Change in Net Position	85,657.15	(291.31)
Net Position -- July 1	636,461.22	1,228.85
Net Position -- June 30	\$ 722,118.37	\$ 937.54

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Voorhees 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 Camden, 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 K-8 at its five schools. The School District has an approximate enrollment at June 30, 2017 of 2,941.

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 Camden 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 funds:

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

Community Education and Recreation Program - This fund accounts for financial activity related to providing community education and recreation program activities for School District students and community residents.

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 students.

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)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (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 exhibits C-1, C-2 and 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.

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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	10-20 Years
Building Improvements	10-50 Years
Furnishings and Equipment	5-20 Years
Movable Equipment	4-10 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.

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.

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.

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 termination 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)**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 not 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 \$27,942,695.68 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 27,767,070.48
Uninsured and Uncollateralized	<u>175,625.20</u>
Total	<u><u>\$ 27,942,695.68</u></u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2017, the School District's deposits with the New Jersey Cash Management Fund were \$206,108.20.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$100.00 on October 11, 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.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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

Beginning Balance, July 1, 2016		\$ 8,886,369.10
Increased by:		
Interest Earnings	\$ 26,266.28	
Deposits:		
Board Resolution (June 14, 2017)	<u>6,840,000.00</u>	
		<u>6,866,266.28</u>
		15,752,635.38
Decreased by:		
Withdrawals:		
Board Resolution (March 15, 2017)	<u>625,098.00</u>	
Total Withdrawals		<u>625,098.00</u>
Ending Balance, June 30, 2017		<u><u>\$ 15,127,537.38</u></u>

The \$625,098.00 withdrawal from the capital reserve was used to offset principal and interest for bonded projects in the LRFP. The June 30, 2017 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

Note 4: 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	\$ 11,209.74
Supplies	<u>4,573.69</u>
	<u><u>\$ 15,783.43</u></u>

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of 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>Fund</u>	<u>Intergovernmental</u>			<u>Other</u>	<u>Total</u>
	<u>Federal Awards</u>	<u>State Awards</u>	<u>Tuition Charges</u>		
Governmental Activities:					
Governmental Funds:					
General		\$ 374,111.85	\$ 20,386.80		\$ 394,498.65
Special Revenue	\$ 253,785.00	4,475.00			258,260.00
	<u>253,785.00</u>	<u>378,586.85</u>	<u>20,386.80</u>	<u>-</u>	<u>652,758.65</u>
Business-Type Activities:					
Proprietary Funds:					
Food Service	15,821.82	680.39	-	-	16,502.21
Fiduciary Funds:					
Agency Funds:					
Payroll	-	-	-	\$ 2,000.88	2,000.88
	<u>\$ 269,606.82</u>	<u>\$ 379,267.24</u>	<u>\$ 20,386.80</u>	<u>\$ 2,000.88</u>	<u>\$ 671,261.74</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 6,399,000.00				\$ 6,399,000.00
Construction in Progress	1,643,605.00		\$ (1,643,605.00)		
Total Capital Assets, not being Depreciated	<u>8,042,605.00</u>	<u>-</u>	<u>(1,643,605.00)</u>	<u>-</u>	<u>6,399,000.00</u>
Capital Assets, being Depreciated:					
Building Improvements	9,468,081.00		1,643,605.00		11,111,686.00
Buildings	41,597,955.00				41,597,955.00
Furnishings and Equipment	3,053,889.00	\$ 20,418.00		\$ 3,550.00	3,077,857.00
Movable Equipment	4,456,644.00	98,883.00			4,555,527.00
Total Capital Assets, being Depreciated	<u>58,576,569.00</u>	<u>119,301.00</u>	<u>1,643,605.00</u>	<u>3,550.00</u>	<u>60,343,025.00</u>
Total Capital Assets, Cost	<u>66,619,174.00</u>	<u>119,301.00</u>	<u>-</u>	<u>3,550.00</u>	<u>66,742,025.00</u>
Less Accumulated Depreciation for:					
Building Improvements	(264,799.00)	(24,157.00)			(288,956.00)
Buildings	(28,447,106.00)	(1,328,728.00)			(29,775,834.00)
Furnishings and Equipment	(1,917,069.00)	(220,916.00)		(3,550.00)	(2,141,535.00)
Movable Equipment	(3,134,847.00)	(265,906.00)			(3,400,753.00)
Total Accumulated Depreciation	<u>(33,763,821.00)</u>	<u>(1,839,707.00)</u>	<u>-</u>	<u>(3,550.00)</u>	<u>(35,607,078.00)</u>
Total Capital Assets, being Depreciated, Net	<u>24,812,748.00</u>	<u>(1,720,406.00)</u>	<u>1,643,605.00</u>	<u>-</u>	<u>24,735,947.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,855,353.00</u>	<u>\$ (1,720,406.00)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,134,947.00</u>
Business-Type Activities:					
Capital Assets, being Depreciated:					
Furnishings and Equipment	\$ 1,002,549.95	\$ 58,986.00	-	-	\$ 1,061,535.95
Total Capital Assets, being Depreciated	<u>1,002,549.95</u>	<u>58,986.00</u>	<u>-</u>	<u>-</u>	<u>1,061,535.95</u>
Total Capital Assets, Cost	<u>1,002,549.95</u>	<u>58,986.00</u>	<u>-</u>	<u>-</u>	<u>1,061,535.95</u>
Less Accumulated Depreciation for:					
Furnishings and Equipment	(847,643.00)	(38,490.00)			(886,133.00)
Total Accumulated Depreciation	<u>(847,643.00)</u>	<u>(38,490.00)</u>	<u>-</u>	<u>-</u>	<u>(886,133.00)</u>
Total Capital Assets, being Depreciated, Net	<u>154,906.95</u>	<u>20,496.00</u>	<u>-</u>	<u>-</u>	<u>175,402.95</u>
Business-Type Activities Capital Assets, Net	<u>\$ 154,906.95</u>	<u>\$ 20,496.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,402.95</u>

Note 6: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

Instruction Regular Programs	\$ 745,786.00
Community Service Operations	30,832.00
Support Services Students	43,662.00
Support Services School Administration	36,547.00
Support Services Plant Operations and Maintenance	658,163.00
Support Services Business and Other Support Services	306,635.00
Support Services Miscellaneous	18,082.00
	<u>1,839,707.00</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,839,707.00</u>
Business-Type Activities:	
Food Service	\$ 10,646.00
Community Education and Recreation	27,844.00
	<u>38,490.00</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 38,490.00</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>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 6,555,000.00		\$ (920,000.00)	\$ 5,635,000.00	\$ 920,000.00
Plus Amounts:					
Premium on Bonds	135,486.61		(29,032.85)	106,453.76	
Total Bonds Payable	<u>6,690,486.61</u>	<u>-</u>	<u>(949,032.85)</u>	<u>5,741,453.76</u>	<u>920,000.00</u>
Other Liabilities:					
Compensated Absences	1,458,479.45	\$ 220,412.50	(186,950.00)	1,491,941.95	12,487.50
Net Pension Liability	15,160,910.00	8,059,463.00	(3,259,459.00)	19,960,914.00	
Total Other Liabilities	<u>16,619,389.45</u>	<u>8,279,875.50</u>	<u>(3,446,409.00)</u>	<u>21,452,855.95</u>	<u>12,487.50</u>
Governmental Activity Long-Term Liabilities	<u>\$ 23,309,876.06</u>	<u>\$ 8,279,875.50</u>	<u>\$ (4,395,441.85)</u>	<u>\$ 27,194,309.71</u>	<u>\$ 932,487.50</u>

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

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

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 31,112.50	\$ 32,125.00	\$ -	\$ 63,237.50	\$ -
Business-Type Activity Long-Term Liabilities	\$ 31,112.50	\$ 32,125.00	\$ -	\$ 63,237.50	\$ -

Compensated absences are liquidated by the food service and community education and recreation enterprise funds.

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 March 1, 2008, the School District issued \$10,199,000.00 general obligation bonds at an interest rate of 4.30% for various construction projects. On August 27, 2015, the School District issued school refunding bonds to advance refund and redeem all of the School District's outstanding callable School Bonds, Series 2008, maturing on March 1 in the years 2018 through and including 2023. As a result, upon the redemption date of March 1, 2017, the final maturity of the School Bonds, Series 2008 was paid.

On August 27, 2015, the School District issued \$5,720,000.00 in school refunding bonds with an interest rate ranging from 1.50% to 4.00%. The final maturity of these bonds is March 1, 2023.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 920,000.00	\$ 134,400.00	\$ 1,054,400.00
2019	955,000.00	116,000.00	1,071,000.00
2020	935,000.00	96,900.00	1,031,900.00
2021	925,000.00	68,850.00	993,850.00
2022	960,000.00	40,350.00	1,000,350.00
2023	940,000.00	21,150.00	961,150.00
Total	<u>\$ 5,635,000.00</u>	<u>\$ 477,650.00</u>	<u>\$ 6,112,650.00</u>

Bonds Authorized but not Issued - As of June 30, 2017, the School District had no authorizations to issue additional bonded debt.

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 tablets. The present value of the future minimum rental payments under the operating lease agreements are as follows:

Fiscal Year Ending June 30,	Amount
2018	\$ 304,892.88
2019	304,892.88
2020	68,057.64
2021	54,378.84
2022	<u>10,029.29</u>
	<u>\$ 742,251.53</u>

Rental payments under operating leases for the fiscal year ended June 30, 2017 were \$304,332.37.

Note 9: PENSION

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. 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 8.05% 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 \$1,805,215.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$1,617,842.74.

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 13.85% 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 \$598,741.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$313,776.28.

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 \$20,014.37, and the School District recognized pension expense, which equaled the required contributions, of \$10,916.98.

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>178,314,797.00</u>
	<u>\$178,314,797.00</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 0.2266722154%, which was a decrease of 0.0045285575% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$13,397,876.00 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 \$19,960,914.00 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 0.0673965135%, which was a decrease of 0.0014414091% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$2,044,731.00, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 371,212.00	\$ -
Changes of Assumptions	4,134,835.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	761,128.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	503,763.00	23,045.00
School District Contributions Subsequent to the Measurement Date	601,191.00	-
	<u>\$ 6,372,129.00</u>	<u>\$ 23,045.00</u>

\$601,191.00, 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:

<u>Year Ending June 30,</u>	
2018	\$ 1,324,876
2019	1,324,876
2020	1,512,874
2021	1,220,774
2022	364,493
	<u>\$ 5,747,893.00</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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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:

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
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	<u>212,947,717.00</u>	<u>178,314,797.00</u>	<u>150,032,549.00</u>
	<u>\$212,947,717.00</u>	<u>\$178,314,797.00</u>	<u>\$150,032,549.00</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:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 24,459,771.00</u>	<u>\$ 19,960,914.00</u>	<u>\$ 16,246,718.00</u>

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.

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.

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

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

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 \$2,344,642.00, \$84,952.00, \$2,024,404.00, and \$4,125.00, 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. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

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.

Note 12: RISK MANAGEMENT

New Jersey Unemployment Compensation Insurance (Cont'd) - 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:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2017	\$ 54,804.00	\$ 43,813.14	\$ 1,545.62	\$ 14,505.61	\$ 722,118.37
2016	54,804.00	43,651.37	694.86	13,408.51	636,461.22
2015	54,804.00	42,989.53	366.95	21,442.64	550,719.50

Joint Insurance Fund - The School District is a member of the Burlington County Municipal Insurance Joint Insurance Fund (BCIP JIF). 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

The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)
General Liability
Automobile Liability
Workers' Compensation
Educator's Legal Liability
Boiler and Machinery
Pollution/Environmental Legal Liability

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 Banking and 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.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from the following website: http://spelljif.com/new_about_bcip.html.

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of three 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:

Lincoln Investment Planning, Inc.
Vanguard Group
AXA Equitable Life Insurance Co.

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.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave as calculated according to formulas outlined in the District's agreements with the various employee unions.

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 and on the proprietary fund statement of net position was \$1,491,941.95 and \$63,237.50, respectively.

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	\$ 172,208.00	\$ 48,927.25
Special Revenue		172,208.00
Capital Projects	4,908.02	2,465.55
Debt Service	2,465.55	
Food Service	123.34	
Fiduciary	48,803.91	4,908.02
	<u>\$ 228,508.82</u>	<u>\$ 228,508.82</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.

Interfund Transfers:

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
<u>Transfer Out:</u>			
General Fund	\$ (625,098.00)	\$ 625,098.00	
Capital Projects Fund		2,465.57	\$ (2,465.57)
Total Transfers	<u>\$ (625,098.00)</u>	<u>\$ 627,563.57</u>	<u>\$ (2,465.57)</u>

During the fiscal year ended June 30, 2017, the general fund transferred \$625,098.00 from the capital reserve account to the debt service fund to offset principal and interest payments for bonded capital projects that were included in the District's LRFP. Additionally, the capital projects fund transferred \$2,465.57 to the debt service fund for interest earned on deposits.

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.

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: 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:

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 \$919,040.07 presented on the budgetary basis of accounting (Exhibit C-1). Excluding the last state aid payments not recognized on a GAAP basis, the excess fund balance at June 30, 2017 is \$368,756.07 as reported on the balance sheet. Additionally, \$1,025,326.00 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 \$15,127,537.38. 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 \$2,866,132.00. 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 \$466,639.26. 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.

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)**

Capital Projects Fund - On March 13, 2008, the School District issued \$10,199,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) two (2) resolutions adopted by the Board on January 23, 2008 and February 27, 2008, respectively. The Bonds were authorized by a proposal adopted by the Board on October 22, 2007 and approved by the voters of the School District at a special election held on December 11, 2007. The bond issuance was approved by the voters for the completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School. As of June 30, 2017, the restricted fund balance amount is \$831,968.40.

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 appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2018 \$664,400.00 of debt service fund balance at June 30, 2017. Additionally, as of June 30, 2017, \$2,465.88 of debt service fund balance is restricted for future debt service expenditures.

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 assigned for future use \$2,957.35 of general fund balance at June 30, 2017 which results from the Special Education Medicaid Initiative (SEMI) reimbursement accrued during the current fiscal year for reimbursement of previous fiscal year expenditures. This amount must be appropriated and included as anticipated revenue in fiscal year ending June 30, 2018 or 2019.

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, \$1,159,570.32 of general fund balance was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 44,762,136.00		\$ 44,762,136.00	\$ 44,762,136.00	
Miscellaneous	8,000.00		8,000.00	605,426.49	\$ 597,426.49
Total - Local Sources	44,770,136.00	-	44,770,136.00	45,367,562.49	597,426.49
State Sources:					
Categorical Special Education Aid	1,699,913.00		1,699,913.00	1,699,913.00	
Equalization Aid	2,916,383.00		2,916,383.00	2,916,383.00	
Categorical Security Aid	236,331.00		236,331.00	236,331.00	
Categorical Transportation Aid	525,501.00		525,501.00	525,501.00	
Additional Adjustment Aid	100,761.00		100,761.00	100,761.00	
PARCC Readiness Aid	28,215.00		28,215.00	28,215.00	
Per Pupil Aid	28,215.00		28,215.00	28,215.00	
Professional Learning Community Aid	27,615.00		27,615.00	27,615.00	
Nonpublic School Transportation Aid				22,272.00	22,272.00
Tuition Reimbursements for Homeless Students				33,909.87	33,909.87
Extraordinary Special Education Costs Aid				238,943.00	238,943.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,580,581.43	1,580,581.43
On-behalf TPAF Pension Contributions (non-budgeted)				4,458,123.00	4,458,123.00
Total - State Sources	5,562,934.00	-	5,562,934.00	11,896,763.30	6,333,829.30
Federal Sources:					
Special Education Medicaid Initiative	26,350.00		26,350.00	41,500.34	15,150.34
Special Education Medicaid Initiative -- Settlement -- ARRA				2,957.35	2,957.35
Total - Federal Sources	26,350.00	-	26,350.00	44,457.69	18,107.69
Total Revenues	50,359,420.00	-	50,359,420.00	57,308,783.48	6,949,363.48
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	94,104.00		94,104.00	92,301.00	1,803.00
Kindergarten	497,262.00		497,262.00	424,575.00	72,687.00
Grades 1 - 5	8,143,370.00	\$ (95,000.00)	8,048,370.00	7,870,133.03	178,236.97
Grades 6 - 8	5,911,535.00	(355,000.00)	5,556,535.00	5,016,004.76	540,530.24
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000.00		150,000.00	73,021.35	76,978.65
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	2,150.00		2,150.00	542.50	1,607.50
Purchased Technical Services	27,000.00	400.00	27,400.00	26,862.00	538.00
Other Purchased Services	179,050.00	(33,400.00)	145,650.00	103,900.47	41,749.53
General Supplies	654,275.00	530,406.38	1,184,681.38	1,158,162.33	26,519.05
Textbooks	194,763.00	(194,763.00)			
Other Objects	196,495.00	(101,702.00)	94,793.00	76,621.68	18,171.32
Total Regular Programs	16,050,004.00	(249,058.62)	15,800,945.38	14,842,124.12	958,821.26

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 330,888.00		\$ 330,888.00	\$ 329,088.00	\$ 1,800.00
Other Salaries for Instruction	163,706.00		163,706.00	147,459.90	16,246.10
General Supplies	4,400.00	\$ (736.17)	3,663.83	2,818.46	845.37
Textbooks	725.00		725.00	-	725.00
Total - Learning and/or Language Disabilities	<u>499,719.00</u>	<u>(736.17)</u>	<u>498,982.83</u>	<u>479,366.36</u>	<u>19,616.47</u>
Behavioral Disabilities:					
Salaries of Teachers	136,705.00		136,705.00	80,793.00	55,912.00
Total - Behavioral Disabilities	<u>136,705.00</u>	<u>-</u>	<u>136,705.00</u>	<u>80,793.00</u>	<u>55,912.00</u>
Multiple Disabilities:					
Salaries of Teachers	579,899.00	(48,000.00)	531,899.00	508,023.11	23,875.89
Other Salaries for Instruction	604,786.00	13,000.00	617,786.00	614,949.18	2,836.82
Purchased Professional - Educational Services	1,153,359.00	183,908.00	1,337,267.00	543,400.69	793,866.31
General Supplies	1,500.00	25,200.00	26,700.00	26,242.72	457.28
Textbooks	5,000.00	(5,000.00)	-	-	5,000.00
Other Objects	-	5,000.00	5,000.00	2,383.96	2,616.04
Total - Multiple Disabilities	<u>2,344,544.00</u>	<u>174,108.00</u>	<u>2,518,652.00</u>	<u>1,694,999.66</u>	<u>823,652.34</u>
Resource Room/Center:					
Salaries of Teachers	2,512,865.00	95,000.00	2,607,865.00	2,603,140.84	4,724.16
Other Salaries for Instruction	517,884.00		517,884.00	470,349.50	47,534.50
General Supplies	15,900.00	(1,592.63)	14,307.37	5,911.83	8,395.54
Textbooks	2,900.00		2,900.00	1,056.06	1,843.94
Total - Resource Room/Center	<u>3,049,549.00</u>	<u>93,407.37</u>	<u>3,142,956.37</u>	<u>3,080,458.23</u>	<u>62,498.14</u>
Autism:					
Salaries of Teachers	121,793.00		121,793.00	121,793.00	
Other Salaries for Instruction	14,255.00	5,000.00	19,255.00	14,710.00	4,545.00
Total - Autism	<u>136,048.00</u>	<u>5,000.00</u>	<u>141,048.00</u>	<u>136,503.00</u>	<u>4,545.00</u>
Preschool Disabilities - Part-time:					
Other Salaries for Instruction	89,829.00		89,829.00	86,176.34	3,652.66
General Supplies	3,230.00		3,230.00	3,216.70	13.30
Total - Preschool Disabilities - Part-Time	<u>93,059.00</u>	<u>-</u>	<u>93,059.00</u>	<u>89,393.04</u>	<u>3,665.96</u>

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Preschool Disabilities - Full-time:					
Salaries of Teachers	\$ 156,800.00	\$ 48,500.00	\$ 205,300.00	\$ 205,223.00	\$ 77.00
Total - Preschool Disabilities - Full-Time	<u>156,800.00</u>	<u>48,500.00</u>	<u>205,300.00</u>	<u>205,223.00</u>	<u>77.00</u>
Total - Special Education	<u>6,416,424.00</u>	<u>320,279.20</u>	<u>6,736,703.20</u>	<u>5,766,736.29</u>	<u>969,966.91</u>
Basic Skills/Remedial:					
Salaries of Teachers	631,734.00		631,734.00	585,952.23	45,781.77
General Supplies	2,100.00		2,100.00		2,100.00
Other Objects	2,100.00		2,100.00		2,100.00
Total - Basic Skills/Remedial	<u>635,934.00</u>	<u>-</u>	<u>635,934.00</u>	<u>585,952.23</u>	<u>49,981.77</u>
Bilingual Education:					
Salaries of Teachers	161,921.00		161,921.00	120,287.00	41,634.00
General Supplies	2,100.00		2,100.00	449.95	1,650.05
Total - Bilingual Education	<u>164,021.00</u>	<u>-</u>	<u>164,021.00</u>	<u>120,736.95</u>	<u>43,284.05</u>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	265,587.00		265,587.00	235,119.00	30,468.00
Other Objects	27,100.00		27,100.00	22,447.92	4,652.08
Total - School-Sponsored Cocurricular Activities - Instruction	<u>292,687.00</u>	<u>-</u>	<u>292,687.00</u>	<u>257,566.92</u>	<u>35,120.08</u>
Total - Instruction	<u>23,559,070.00</u>	<u>71,220.58</u>	<u>23,630,290.58</u>	<u>21,573,116.51</u>	<u>2,057,174.07</u>
Community Services Programs/Operations:					
Purchased Services	1,000.00		1,000.00	-	1,000.00
Total - Community Services Programs/Operations	<u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	48,255.00	(500.00)	47,755.00	420.40	47,334.60
Tuition to Other LEAs Within the State-Special	33,630.00		33,630.00	25,200.00	8,430.00
Tuition to CSSD & Regional Day Schools	17,606.00		17,606.00		17,606.00
Tuition to Private School for the Disabled - State	1,334,509.00	(1,700.00)	1,332,809.00	1,264,437.00	68,372.00
Total Undistributed Expenditures - Instruction	<u>1,434,000.00</u>	<u>(2,200.00)</u>	<u>1,431,800.00</u>	<u>1,290,057.40</u>	<u>141,742.60</u>

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	\$ 2,500.00	\$ 500.00	\$ 3,000.00	\$ 3,000.00	-
Total Undistributed Expenditures - Attendance and Social Work	<u>2,500.00</u>	<u>500.00</u>	<u>3,000.00</u>	<u>3,000.00</u>	<u>-</u>
Total Undistributed Expenditures - Health Services:					
Salaries	410,779.00		410,779.00	410,072.11	\$ 706.89
Purchased Professional and Technical Services	20,300.00		20,300.00	17,815.90	2,484.10
Supplies and Materials	10,519.00	3,700.00	14,219.00	10,146.67	4,072.33
Total Undistributed Expenditures - Health Services	<u>441,598.00</u>	<u>3,700.00</u>	<u>445,298.00</u>	<u>438,034.68</u>	<u>7,263.32</u>
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	512,960.00	1,500.00	514,460.00	513,999.00	461.00
Purchased Professional - Educational Services	25,300.00		25,300.00	6,697.00	18,603.00
Supplies and Materials	3,900.00	(1,000.00)	2,900.00	1,218.20	1,681.80
Total Undistributed Expenditures - Speech, OT, PT & Related Services	<u>542,160.00</u>	<u>500.00</u>	<u>542,660.00</u>	<u>521,914.20</u>	<u>20,745.80</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	505,230.00	(48,300.00)	456,930.00	454,379.82	2,550.18
Salaries of Secretarial and Clerical Assistants	57,895.00		57,895.00	42,305.16	15,589.84
Supplies and Materials	2,900.00	(12.58)	2,887.42	1,427.80	1,459.62
Total Undistributed Expenditures - Guidance	<u>566,025.00</u>	<u>(48,312.58)</u>	<u>517,712.42</u>	<u>498,112.78</u>	<u>19,599.64</u>
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	1,108,912.00		1,108,912.00	1,107,161.00	1,751.00
Salaries of Secretarial and Clerical Assistants	76,245.00		76,245.00	75,176.45	1,068.55
Purchased Professional - Educational Services	26,503.00		26,503.00	23,357.75	3,145.25
Miscellaneous Purchased Services	3,500.00		3,500.00	2,674.87	825.13
Supplies and Materials	45,360.00	1,240.00	46,600.00	41,998.85	4,601.15
Other Objects	12,400.00	(179.00)	12,221.00	9,179.49	3,041.51
Total Undistributed Expenditures - Child Study Teams	<u>1,272,920.00</u>	<u>1,061.00</u>	<u>1,273,981.00</u>	<u>1,259,548.41</u>	<u>14,432.59</u>

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 251,432.00		\$ 251,432.00	\$ 243,667.03	\$ 7,764.97
Salaries of Secretarial and Clerical Assistants	69,541.00		69,541.00	43,366.66	26,174.34
Other Salaries	5,000.00		5,000.00		5,000.00
Purchased Professional - Educational Services	12,200.00	\$ 1,500.00	13,700.00	13,100.00	600.00
Other Purchased Services	4,150.00		4,150.00	945.29	3,204.71
Supplies and Materials	28,635.00	(1,040.00)	27,595.00	13,741.76	13,853.24
Other Objects	11,280.00	(421.00)	10,859.00	6,358.95	4,500.05
Total Undistributed Expenditures - Improvement of Instructional Services	382,238.00	39.00	382,277.00	321,179.69	61,097.31
Undistributed Expenditures - Educational Media/Library:					
Salaries	398,058.00	2,500.00	400,558.00	400,308.00	250.00
Supplies and Materials	39,500.00	(4,700.00)	34,800.00	32,775.88	2,024.12
Total Undistributed Expenditures - Educational Media/Library	437,558.00	(2,200.00)	435,358.00	433,083.88	2,274.12
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	330,013.00		330,013.00	322,247.69	7,765.31
Other Salaries	271,344.00	3,200.00	274,544.00	258,880.15	15,663.85
Other Purchased Professional - Technical Services	30,000.00		30,000.00	28,843.00	1,157.00
Other Purchased Services	200.00	100.00	300.00	239.32	60.68
Supplies and Materials	500.00	(100.00)	400.00	123.84	276.16
Other Objects	2,800.00		2,800.00	945.00	1,855.00
Total Undistributed Expenditures - Instructional Staff Training Services	634,857.00	3,200.00	638,057.00	611,279.00	26,778.00
Undistributed Expenditures - Support Services General Administration:					
Salaries	307,086.00		307,086.00	296,576.00	10,510.00
Legal Services	64,000.00	1,000.00	65,000.00	49,423.97	15,576.03
Audit Fees	50,500.00		50,500.00	49,000.00	1,500.00
Architect and Engineering Services	10,000.00	71,000.00	81,000.00	80,718.95	281.05
Other Purchased Professional Services	144,400.00	91,000.00	235,400.00	191,167.95	44,232.05
Communications/Telephone	258,078.00	(52,100.00)	205,978.00	53,716.42	152,261.58
BOE Other Purchased Services	9,600.00		9,600.00		9,600.00
Miscellaneous Purchased Services	263,100.00	5,000.00	268,100.00	255,550.40	12,549.60
General Supplies	2,300.00	2,000.00	4,300.00	4,211.34	88.66
BOE In-House Training/Meeting Supplies	6,000.00	(900.00)	5,100.00	1,547.40	3,552.60
Miscellaneous Expenditures	22,625.00	(2,800.00)	19,825.00	10,114.57	9,710.43
BOE Membership Dues and Fees	23,000.00		23,000.00	21,985.85	1,014.15
Total Undistributed Expenditures - Support Services General Administration	1,160,689.00	114,200.00	1,274,889.00	1,014,012.85	260,876.15

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 GENERAL FUND
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 801,108.00	\$ 1,100.00	\$ 802,208.00	\$ 802,128.62	\$ 79.38
Salaries of Secretarial and Clerical Assistants	515,507.00		515,507.00	502,683.00	12,824.00
Supplies and Materials	21,870.00	(800.00)	21,070.00	17,294.32	3,775.68
Other Objects	68,000.00	140,000.00	208,000.00		208,000.00
Total Undistributed Expenditures - Support Services School Administration	1,406,485.00	140,300.00	1,546,785.00	1,322,105.94	224,679.06
Undistributed Expenditures - Central Services:					
Salaries	530,385.00	3,600.00	533,985.00	533,941.00	44.00
Purchased Professional Services	14,000.00	300.00	14,300.00	14,300.00	
Miscellaneous Purchased Services	13,300.00	(500.00)	12,800.00	12,816.04	9,983.96
Supplies and Materials	18,000.00	(300.00)	17,700.00	17,529.14	170.86
Miscellaneous Expenditures	64,580.00	(10.00)	64,570.00	17,891.15	46,678.85
Total Undistributed Expenditures - Central Services	640,265.00	3,090.00	643,355.00	586,477.33	56,877.67
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	189,510.00	600.00	190,110.00	190,010.93	99.07
Other Purchased Services	2,000.00	500.00	2,500.00	2,362.06	137.94
Other Objects	267,999.00	100,010.00	368,009.00	276,040.57	91,968.43
Total Undistributed Expenditures - Admin. Info. Technology	459,509.00	101,110.00	560,619.00	468,413.56	92,205.44
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	241,271.00	16,000.00	257,271.00	256,529.12	741.88
Cleaning, Repair & Maintenance Services	803,690.00	(16,400.00)	787,290.00	678,092.31	109,197.69
Total Undistributed Expenditures - Required Maint. for School Facilities	1,044,961.00	(400.00)	1,044,561.00	934,621.43	109,939.57
Undistributed Expenditures - Custodial Services:					
Salaries	1,076,225.00		1,076,225.00	991,748.32	84,476.68
Cleaning, Repair & Maintenance Services	5,824.00		5,824.00	4,801.70	1,022.30
Other Purchased Property Services	150,640.00	(10,000.00)	140,640.00	104,380.54	36,259.46
Insurance	172,363.00		172,363.00	167,122.00	5,241.00
General Supplies	305,200.00	37,100.00	342,300.00	313,856.30	28,443.70
Energy (Natural Gas)	93,600.00		93,600.00	35,714.77	57,885.23
Energy (Heat & Electricity)	1,629,710.00	(81,700.00)	1,548,010.00	1,104,279.05	443,730.95
Other Objects	6,290.00	2,000.00	8,290.00	8,050.36	239.64
Total - Custodial Services	3,439,852.00	(52,600.00)	3,387,252.00	2,729,953.04	657,298.96
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services	150,000.00		150,000.00	124,077.30	25,922.70
General Supplies	40,000.00	(40,000.00)			
Total Undistributed Expenditures - Care and Upkeep of Grounds	190,000.00	(40,000.00)	150,000.00	124,077.30	25,922.70

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation					
(Between Home & School) - Regular	\$ 54,252.00		\$ 54,252.00	\$ 54,214.64	\$ 37.36
Salaries for Pupil Transportation					
(Between Home & School) - Special	9,424.00	\$ 200.00	9,624.00	9,567.36	56.64
Management Fee - ESC Transportation Program	19,514.00	4,000.00	23,514.00	22,838.56	675.44
Contracted Services - Aid in Lieu of Payments- Non Public	137,850.00	21,000.00	158,850.00	157,066.42	1,783.58
Contracted Services (Between Home & School) - Vendor	1,320,674.00	(7,000.00)	1,313,674.00	1,227,007.80	86,666.20
Contracted Services (Other than Between Home & School) - Vendor	165,441.00	7,000.00	172,441.00	114,931.63	57,509.37
Contracted Services (Special Ed Students) - Vendors	413,500.00	(55,500.00)	358,000.00	300,464.90	57,535.10
Contracted Services (Special Ed Students) - ESC & CTSA's	376,995.00	(53,000.00)	323,995.00	305,155.63	18,839.37
General Supplies	9,860.00		9,860.00	7,737.00	2,123.00
Total Undistributed Expenditures - Student Transportation Services	2,507,510.00	(83,300.00)	2,424,210.00	2,198,983.94	225,226.06
Unallocated Benefits - Employee Benefits:					
Group Insurance	2,575.00	2,000.00	4,575.00	2,915.84	1,659.16
Social Security Contributions	588,748.00		588,748.00	407,299.89	181,448.11
Other Retirement Contributions - PERS	660,000.00		660,000.00	612,793.23	47,206.77
Unemployment Compensation	54,804.00		54,804.00	54,804.00	
Health Benefits	9,408,227.00	(900.00)	9,407,327.00	7,000,395.18	2,406,931.82
Tuition Reimbursement	118,800.00		118,800.00	48,250.00	70,550.00
Other Employee Benefits	27,000.00	1,000.00	28,000.00	28,000.00	
Unused Sick Payment to Terminated/Retired Staff	385,234.00	(1,000.00)	384,234.00	275,785.47	108,448.53
Total Unallocated Benefits - Employee Benefits	11,245,388.00	1,100.00	11,246,488.00	8,430,243.61	2,816,244.39
Undistributed Expenditures - Transfer to Charter Schools	52,514.00		52,514.00	13,641.00	38,873.00
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	4,458,123.00	(4,458,123.00)
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	-	-	-	1,580,581.43	(1,580,581.43)
Total Undistributed Expenses	27,861,029.00	139,787.42	28,000,816.42	29,237,444.47	(1,236,628.05)
Total Current Expense	51,421,099.00	211,008.00	51,632,107.00	50,810,560.98	821,546.02

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures:					
Support Services - Students - Regular	\$ 265,791.00	\$ (20,500.00)	\$ 245,291.00	\$ 66,062.54	\$ 179,228.46
Support Services - Child Study Teams	15,500.00		15,500.00		15,500.00
Required Maintenance for School Facilities	36,600.00	20,500.00	57,100.00	53,238.11	3,861.89
Total - Equipment	317,891.00	-	317,891.00	119,300.65	198,590.35
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	26,609.00		26,609.00	26,609.00	
Total - Facilities Acquisition and Construction Services	26,609.00	-	26,609.00	26,609.00	-
Total Capital Outlay	344,500.00	-	344,500.00	145,909.65	198,590.35
Total Expenditures	51,765,599.00	211,008.00	51,976,607.00	50,956,470.63	1,020,136.37
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,406,179.00)	(211,008.00)	(1,617,187.00)	6,352,312.85	7,969,499.85
Other Financing Sources (Uses):					
Transfers to Debt Service Fund	-	-	-	(625,098.00)	(625,098.00)
Total - Other Financing Sources (Uses)	-	-	-	(625,098.00)	(625,098.00)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,406,179.00)	(211,008.00)	(1,617,187.00)	5,727,214.85	7,344,401.85
Fund Balances, July 1	15,839,987.53	-	15,839,987.53	15,839,987.53	-
Fund Balances, June 30	\$ 14,433,808.53	\$ (211,008.00)	\$ 14,222,800.53	\$ 21,567,202.38	\$ 7,344,401.85
Recapitulation:					
Restricted:					
Capital Reserve				\$ 15,127,537.38	
Emergency Reserve				466,639.26	
Maintenance Reserve				2,866,132.00	
Excess Surplus--Current Year				919,040.07	
Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures				1,025,326.00	
Assigned:					
Designated for Subsequent Year's Expenditures:					
SEMI Settlement				2,957.35	
Unassigned				1,159,570.32	
				21,567,202.38	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(550,284.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 21,016,918.38	

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources:					
Nonpublic Aid		\$ 243,632.00	\$ 243,632.00	\$ 159,052.52	\$ (84,579.48)
Municipal Drug Alliance		9,095.00	9,095.00	9,095.00	
Total - State Sources	-	252,727.00	252,727.00	168,147.52	(84,579.48)
Federal Sources:					
N.C.L.B.:					
Title I	\$ 198,237.00	33,672.00	231,909.00	230,449.00	(1,460.00)
Title II - Part A	52,952.00	8,542.00	61,494.00	61,493.60	(0.40)
Title III	10,175.00	1,905.00	12,080.00	12,080.00	
Title III Immigrant	17,547.00	(9,384.00)	8,163.00	5,218.60	(2,944.40)
I.D.E.A. Part B:					
Basic	599,493.00	153,778.97	753,271.97	711,544.54	(41,727.43)
Preschool	28,220.00	11,903.00	40,123.00	35,335.44	(4,787.56)
Total - Federal Sources	906,624.00	200,416.97	1,107,040.97	1,056,121.18	(50,919.79)
Total Revenues	906,624.00	453,143.97	1,359,767.97	1,224,268.70	(135,499.27)

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Instruction:					
Salaries of Teachers	\$ 180,179.00	\$ 37,833.00	\$ 218,012.00	\$ 217,801.60	\$ 210.40
Other Salaries for Instruction	384,621.00	108,088.00	492,709.00	491,158.00	1,551.00
Purchased Professional Educational Services	2,364.00	187,793.00	190,157.00	107,375.47	82,781.53
Other Purchased Services	42,262.00	(34,901.00)	7,361.00	4,416.60	2,944.40
Tuition	178,201.00	959.00	179,160.00	179,160.00	
General Supplies	10,869.00	29,310.00	40,179.00	35,189.17	4,989.83
Textbooks		14,353.00	14,353.00	13,865.19	487.81
Total Instruction	<u>798,496.00</u>	<u>343,435.00</u>	<u>1,141,931.00</u>	<u>1,048,966.03</u>	<u>92,964.97</u>
Support Services:					
Other Salaries for Instruction		4,620.00	4,620.00	4,620.00	
Personal Services--Employee Benefits	107,486.00	13,399.37	120,885.37	113,306.81	7,578.56
Purchased Professional Educational Services	562.00	69,420.60	69,982.60	36,437.00	33,545.60
General Supplies	80.00	19,444.00	19,524.00	18,113.86	1,410.14
Other Objects		2,825.00	2,825.00	2,825.00	
Total Support Services	<u>108,128.00</u>	<u>109,708.97</u>	<u>217,836.97</u>	<u>175,302.67</u>	<u>42,534.30</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>906,624.00</u>	<u>453,143.97</u>	<u>1,359,767.97</u>	<u>1,224,268.70</u>	<u>135,499.27</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 57,308,783.48	\$ 1,224,268.70
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	546,621.00	
State aid payments recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(550,284.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 57,305,120.48</u>	<u>\$ 1,224,268.70</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 50,956,470.63</u>	<u>\$ 1,224,268.70</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 50,956,470.63</u>	<u>\$ 1,224,268.70</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS

TOWNSHIP OF VOORHEES 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	0.0673965135%	0.0675379226%	0.0666690461%	0.0627999770%
School District's Proportionate Share of the Net Pension Liability	\$19,960,914.00	\$15,160,910.00	\$12,482,269.00	\$12,002,323.00
School District's Covered Payroll (Plan Measurement Period)	\$5,061,788.00	\$5,123,544.00	\$5,087,324.00	\$4,780,868.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	394.35%	295.91%	245.36%	251.05%
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.

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

	Fiscal Year Ended June 30,			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 601,191.00	\$ 598,741.00	\$ 580,645.00	\$ 549,610.00
Contributions in Relation to the Contractually Required Contribution	<u>(601,191.00)</u>	<u>(598,741.00)</u>	<u>(580,645.00)</u>	<u>(549,610.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 4,341,313.00	\$ 4,425,491.00	\$ 4,573,581.00	\$ 4,607,289.00
Contributions as a Percentage of School District's Covered Payroll	13.85%	13.53%	12.70%	11.93%

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.

TOWNSHIP OF VOORHEES 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

	Measurement Date Ending June 30,			
	<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 Net Pension Liability Associated with the School District	<u>178,314,797.00</u>	<u>146,128,761.00</u>	<u>125,649,003.00</u>	<u>124,387,109.00</u>
	<u>\$ 178,314,797.00</u>	<u>\$ 146,128,761.00</u>	<u>\$ 125,649,003.00</u>	<u>\$ 124,387,109.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 26,179,712.00	\$ 26,913,572.00	\$ 27,242,972.00	\$ 27,193,772.00
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	681.12%	542.96%	461.22%	457.41%
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.

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

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.

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

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%.

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%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF VOORHEES 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.					NJ Non-Public Security Aid	NJ Non-Public Technology Aid	Total Brought Forward
	Total	Title I	Title II Part A	Title III Immigrant	Title III			
REVENUES:								
Federal Sources	\$ 1,056,121.18	\$ 230,449.00	\$ 61,493.60	\$ 5,218.60	\$ 12,080.00			\$ 746,879.98
State Sources	168,147.52					\$ 11,703.93	\$ 6,409.93	150,033.66
Total Revenues	1,224,268.70	230,449.00	61,493.60	5,218.60	12,080.00	11,703.93	6,409.93	896,913.64
EXPENDITURES:								
Instruction:								
Salaries of Teachers	217,801.60	174,821.00	36,016.60		6,964.00			491,158.00
Other Salaries for Instruction	491,158.00							104,393.47
Purchased Professional Educational Services	107,375.47			802.00	2,180.00			179,160.00
Other Purchased Services	4,416.60			4,416.60				35,189.17
Tuition	179,160.00							13,865.19
General Supplies	35,189.17							
Textbooks	13,865.19							
Total Instruction	1,048,966.03	174,821.00	36,016.60	5,218.60	9,144.00	-	-	823,765.83
Support Services:								
Other Salaries for Instruction	4,620.00							4,620.00
Personal Services--Employee Benefits	113,306.81	55,628.00	24,795.00		2,936.00			29,947.81
Purchased Professional Educational Services	36,437.00		682.00					35,755.00
General Supplies	18,113.86					11,703.93	6,409.93	
Other Objects	2,825.00							2,825.00
Total Support Services	175,302.67	55,628.00	25,477.00	-	2,936.00	11,703.93	6,409.93	73,147.81
Total Expenditures	\$ 1,224,268.70	\$ 230,449.00	\$ 61,493.60	\$ 5,218.60	\$ 12,080.00	\$ 11,703.93	\$ 6,409.93	\$ 896,913.64

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	I. D. E. A. Part B			Municipal Drug Alliance	NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	Total Brought Forward
		Basic	Preschool					
REVENUES:								
Federal Sources	\$ 746,879.98	\$ 711,544.54	\$ 35,335.44					
State Sources	150,033.66			\$ 9,095.00	\$ 13,865.19	\$ 22,680.00	\$ 104,393.47	
Total Revenues	896,913.64	711,544.54	35,335.44	9,095.00	13,865.19	22,680.00	104,393.47	
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Other Salaries for Instruction	491,158.00	458,704.00	30,804.00	1,650.00				
Purchased Professional Educational Services	104,393.47						104,393.47	
Other Purchased Services								
Tuition	179,160.00	179,160.00						
General Supplies	35,189.17	9,863.00	2,646.17			22,680.00		
Textbooks	13,865.19				13,865.19			
Total Instruction	823,765.83	647,727.00	33,450.17	1,650.00	13,865.19	22,680.00	104,393.47	
Support Services:								
Other Salaries for Instruction	4,620.00			4,620.00				
Personal Services--Employee Benefits	29,947.81	28,062.54	1,885.27					
Purchased Professional Educational Services	35,755.00	35,755.00						
Other Purchased Services								
General Supplies								
Other Objects	2,825.00			2,825.00				
Total Support Services	73,147.81	63,817.54	1,885.27	7,445.00	-	-	-	
Total Expenditures	\$ 896,913.64	\$ 711,544.54	\$ 35,335.44	\$ 9,095.00	\$ 13,865.19	\$ 22,680.00	\$ 104,393.47	

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977		N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977		
		Compensatory Education	English as a Second Language	Examination and Classification	Corrective Speech	Supplementary Instruction
REVENUES:						
Federal Sources						
State Sources	\$ 104,393.47	\$ 50,970.47	\$ 3,837.00	\$ 23,230.00	\$ 11,839.00	\$ 14,517.00
Total Revenues	<u>104,393.47</u>	<u>50,970.47</u>	<u>3,837.00</u>	<u>23,230.00</u>	<u>11,839.00</u>	<u>14,517.00</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional Educational Services	104,393.47	50,970.47	3,837.00	23,230.00	11,839.00	14,517.00
Other Purchased Services						
Tuition						
General Supplies						
Textbooks						
Total Instruction	<u>104,393.47</u>	<u>50,970.47</u>	<u>3,837.00</u>	<u>23,230.00</u>	<u>11,839.00</u>	<u>14,517.00</u>
Support Services:						
Other Salaries for Instruction						
Personal Services--Employee Benefits						
Purchased Professional Educational Services						
Other Purchased Services						
General Supplies						
Other Objects						
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 104,393.47</u>	<u>\$ 50,970.47</u>	<u>\$ 3,837.00</u>	<u>\$ 23,230.00</u>	<u>\$ 11,839.00</u>	<u>\$ 14,517.00</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2017

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(a) (i) The completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School, including the upgrading of the access, emergency, communications and security systems, the replacement and/or repair of various portions of the roofs, and the replacement and/or upgrading of the electrical, heating, ventilation and other building systems.					
(ii) The completion of all work, including site improvements, necessary or desirable to make said improvements compatible with the existing facilities.					
(iii) The acquisition of furniture, fixtures and equipment for said improvements.	10-22-2007	<u>\$ 10,199,000.00</u>	<u>\$ 9,356,123.58</u>	<u>\$ 10,908.02</u>	<u>\$ 831,968.40</u>
Restricted for Capital Projects:					
Designated for Subsequent Year's Expenditures					<u>\$ 831,968.40</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2017

Revenues:	
Interest Earned on Deposits	<u>\$ 2,465.57</u>
Total Revenues	<u>2,465.57</u>
Expenditures:	
Other Professional Services	<u>10,908.02</u>
Total Expenditures	<u>10,908.02</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,442.45)</u>
Other Financing Sources (Uses):	
Transfers to Debt Service Fund:	
Interest Earned on Deposits	<u>(2,465.57)</u>
Total Other Financing Sources and Uses	<u>(2,465.57)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,908.02)
Fund Balance -- July 1	<u>842,876.42</u>
Fund Balance -- June 30	<u>\$ 831,968.40</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status
Kresson Elementary School Renovations
From 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>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 961,195.00	_____	\$ 961,195.00	\$ 961,195.00
Total Revenues	<u>961,195.00</u>	<u>-</u>	<u>961,195.00</u>	<u>961,195.00</u>
Expenditures and Other Financing Uses				
Other Professional Services	248,718.50	\$ 1,200.00	249,918.50	249,918.50
Construction Services	<u>663,552.30</u>	_____	<u>663,552.30</u>	<u>711,276.50</u>
Total Expenditures	<u>912,270.80</u>	<u>1,200.00</u>	<u>913,470.80</u>	<u>961,195.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 48,924.20</u>	<u>\$ (1,200.00)</u>	<u>\$ 47,724.20</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5400-055-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 959,995.00			
Bonds Issued	\$ 959,995.00			
Original Authorized Cost	\$ 959,995.00			
Additional Authorized Cost	1,200.00			
Revised Authorized Cost	\$ 961,195.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	95.03%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-18			

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status
E.T. Hamilton Elementary School Renovations
From 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>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 2,110,872.98	_____	\$ 2,110,872.98	\$ 2,110,872.98
Total Revenues	<u>2,110,872.98</u>	<u>-</u>	<u>2,110,872.98</u>	<u>2,110,872.98</u>
Expenditures and Other Financing Uses				
Other Professional Services	480,599.79	\$ 1,200.00	481,799.79	481,799.79
Construction Services	<u>1,576,753.09</u>	_____	<u>1,576,753.09</u>	<u>1,629,073.19</u>
Total Expenditures	<u>2,057,352.88</u>	<u>1,200.00</u>	<u>2,058,552.88</u>	<u>2,110,872.98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 53,520.10</u>	<u>\$ (1,200.00)</u>	<u>\$ 52,320.10</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5400-020-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 1,919,411.00			
Bonds Issued	\$ 1,919,411.00			
Original Authorized Cost	\$ 1,919,411.00			
Additional Authorized Cost	191,461.98			
Revised Authorized Cost	\$ 2,110,872.98			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	97.52%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-18			

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status
Signal Hill Elementary School Renovations
From 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>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 369,350.15	_____	\$ 369,350.15	\$ 369,350.15
Total Revenues	<u>369,350.15</u>	<u>-</u>	<u>369,350.15</u>	<u>369,350.15</u>
Expenditures and Other Financing Uses				
Other Professional Services	93,556.11	\$ 1,200.00	94,756.11	94,756.11
Construction Services	<u>263,179.55</u>	_____	<u>263,179.55</u>	<u>274,594.04</u>
Total Expenditures	<u>356,735.66</u>	<u>1,200.00</u>	<u>357,935.66</u>	<u>369,350.15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 12,614.49</u>	<u>\$ (1,200.00)</u>	<u>\$ 11,414.49</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5400-095-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 240,000.00			
Bonds Issued	\$ 240,000.00			
Original Authorized Cost	\$ 240,000.00			
Additional Authorized Cost	129,350.15			
Revised Authorized Cost	\$ 369,350.15			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	96.91%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-18			

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status
Voorhees Middle School Renovations
From 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>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 4,336,421.30	_____	\$ 4,336,421.30	\$ 4,336,421.30
Total Revenues	<u>4,336,421.30</u>	<u>-</u>	<u>4,336,421.30</u>	<u>4,336,421.30</u>
Expenditures and Other Financing Uses				
Other Professional Services	535,486.23	\$ 6,108.02	541,594.25	862,911.19
Construction Services	<u>3,473,198.28</u>	_____	<u>3,473,198.28</u>	<u>3,473,510.11</u>
Total Expenditures	<u>4,008,684.51</u>	<u>6,108.02</u>	<u>4,014,792.53</u>	<u>4,336,421.30</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 327,736.79</u>	<u>\$ (6,108.02)</u>	<u>\$ 321,628.77</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5400-100-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 4,679,579.00			
Bonds Issued	\$ 4,679,579.00			
Original Authorized Cost	\$ 4,679,579.00			
Additional Authorized Cost	(343,157.70)			
Revised Authorized Cost	\$ 4,336,421.30			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	92.58%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-18			

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Project Revenues, Expenditures, Project Balance and Project Status
Osage Elementary School Renovations
From 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>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 2,421,160.57	_____	\$ 2,421,160.57	\$ 2,421,160.57
Total Revenues	<u>2,421,160.57</u>	<u>-</u>	<u>2,421,160.57</u>	<u>2,421,160.57</u>
Expenditures and Other Financing Uses				
Other Professional Services	490,676.99	\$ 1,200.00	491,876.99	516,384.57
Construction Services	<u>1,530,402.74</u>	_____	<u>1,530,402.74</u>	<u>1,904,776.00</u>
Total Expenditures	<u>2,021,079.73</u>	<u>1,200.00</u>	<u>2,022,279.73</u>	<u>2,421,160.57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 400,080.84</u>	<u>\$ (1,200.00)</u>	<u>\$ 398,880.84</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5400-090-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 2,400,015.00			
Bonds Issued	\$ 2,400,015.00			
Original Authorized Cost	\$ 2,400,015.00			
Additional Authorized Cost	21,145.57			
Revised Authorized Cost	\$ 2,421,160.57			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	83.53%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-18			

PROPRIETARY FUNDS

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2017

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 324,994.64	\$ 2,640,131.56	\$ 2,965,126.20
Intergovernmental Accounts Receivable:			
State	680.39		680.39
Federal	15,821.82		15,821.82
Interfunds Receivable	123.34		123.34
Inventories	15,783.43		15,783.43
	<u>357,403.62</u>	<u>2,640,131.56</u>	<u>2,997,535.18</u>
Total Current Assets			
Noncurrent Assets:			
Furnishings and Equipment	851,701.00	209,834.95	1,061,535.95
Less Accumulated Depreciation	<u>(788,766.00)</u>	<u>(97,367.00)</u>	<u>(886,133.00)</u>
Total Noncurrent Assets	<u>62,935.00</u>	<u>112,467.95</u>	<u>175,402.95</u>
Total Assets	<u>420,338.62</u>	<u>2,752,599.51</u>	<u>3,172,938.13</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	<u>3,459.25</u>	<u>-</u>	<u>3,459.25</u>
Total Current Liabilities	<u>3,459.25</u>	<u>-</u>	<u>3,459.25</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>25,100.00</u>	<u>38,137.50</u>	<u>63,237.50</u>
Total Liabilities	<u>28,559.25</u>	<u>38,137.50</u>	<u>66,696.75</u>
NET POSITION:			
Net Investment in Capital Assets	62,935.00	112,467.95	175,402.95
Unrestricted	<u>328,844.37</u>	<u>2,601,994.06</u>	<u>2,930,838.43</u>
Total Net Position	<u>\$ 391,779.37</u>	<u>\$ 2,714,462.01</u>	<u>\$ 3,106,241.38</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 391,888.55		\$ 391,888.55
Daily Sales - Non-Reimbursable Programs	167,610.21		167,610.21
Special Functions	23,525.30		23,525.30
Miscellaneous	11,360.04		11,360.04
Community Service Activities		<u>\$ 1,625,276.98</u>	<u>1,625,276.98</u>
Total Operating Revenues	<u>594,384.10</u>	<u>1,625,276.98</u>	<u>2,219,661.08</u>
OPERATING EXPENSES:			
Salaries	367,723.64	1,069,526.58	1,437,250.22
Employee Benefits	89,200.11	230,824.60	320,024.71
Other Professional Services	59,655.50	8,000.00	67,655.50
Transportation		8,222.00	8,222.00
Other Purchased Services	19,800.00		19,800.00
Travel	637.64		637.64
General Supplies	34,892.11	204,238.64	239,130.75
Depreciation	10,646.00	27,844.00	38,490.00
Cost of Sales:			
Reimbursable programs	250,644.68		250,644.68
Non-reimbursable programs	72,566.00		72,566.00
Miscellaneous	<u>87,199.09</u>	<u>63,989.22</u>	<u>151,188.31</u>
Total Operating Expenses	<u>992,964.77</u>	<u>1,612,645.04</u>	<u>2,605,609.81</u>
Operating Income (Loss)	<u>(398,580.67)</u>	<u>12,631.94</u>	<u>(385,948.73)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	7,729.71		7,729.71
Federal Sources:			
National School Lunch Program	176,510.50		176,510.50
National School Breakfast Program	3,885.82		3,885.82
Food Distribution Program	58,058.85		58,058.85
Child Care Certificate Program		16,447.64	16,447.64
Interest and Investment Revenue	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Total Nonoperating Revenues (Expenses)	<u>247,433.54</u>	<u>23,456.65</u>	<u>270,890.19</u>
Change in Net Position	(151,147.13)	36,088.59	(115,058.54)
Net Position -- July 1	<u>542,926.50</u>	<u>2,678,373.42</u>	<u>3,221,299.92</u>
Net Position -- June 30	<u>\$ 391,779.37</u>	<u>\$ 2,714,462.01</u>	<u>\$ 3,106,241.38</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 594,384.10	\$ 1,625,276.98	\$ 2,219,661.08
Payments to Employees	(367,723.64)	(1,069,526.58)	(1,437,250.22)
Payments for Employee Benefits	(82,825.11)	(205,074.60)	(287,899.71)
Payments to Suppliers	<u>(537,309.04)</u>	<u>(284,449.86)</u>	<u>(821,758.90)</u>
Net Cash Provided by (used for) Operating Activities	<u>(393,473.69)</u>	<u>66,225.94</u>	<u>(327,247.75)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
State Sources	7,652.06		7,652.06
Federal Sources	240,359.79		240,359.79
Other Sources		<u>16,447.64</u>	<u>16,447.64</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>248,011.85</u>	<u>16,447.64</u>	<u>264,459.49</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of Capital Assets	<u>(29,694.00)</u>	<u>(29,292.00)</u>	<u>(58,986.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(29,694.00)</u>	<u>(29,292.00)</u>	<u>(58,986.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Net Cash Provided by (used for) Investing Activities	<u>1,248.66</u>	<u>7,009.01</u>	<u>8,257.67</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(173,907.18)	60,390.59	(113,516.59)
Cash and Cash Equivalents -- July 1	<u>498,901.82</u>	<u>2,579,740.97</u>	<u>3,078,642.79</u>
Cash and Equivalents -- June 30	<u>\$ 324,994.64</u>	<u>\$ 2,640,131.56</u>	<u>\$ 2,965,126.20</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (398,580.67)	\$ 12,631.94	\$ (385,948.73)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	10,646.00	27,844.00	38,490.00
(Increase) Decrease in Inventories	(11,914.02)		(11,914.02)
Increase (Decrease) in Compensated Absences Payable	<u>6,375.00</u>	<u>25,750.00</u>	<u>32,125.00</u>
Total Adjustments	<u>5,106.98</u>	<u>53,594.00</u>	<u>58,700.98</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (393,473.69)</u>	<u>\$ 66,225.94</u>	<u>\$ (327,247.75)</u>

FIDUCIARY FUNDS

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2017

	Private-Purpose Trust Funds		Agency Funds		
	Unemployment Compensation Trust	Scholarship Fund	Student Activity	Payroll	Total
ASSETS:					
Cash and Cash Equivalents	\$ 663,420.51	\$ 5,845.56	\$ 20,757.36	\$ 81,050.25	\$ 771,073.68
Other Accounts Receivable				2,000.88	2,000.88
Intrafund Accounts Receivable	13,060.32				13,060.32
Interfund Accounts Receivable	54,804.00				54,804.00
Total Assets	<u>731,284.83</u>	<u>5,845.56</u>	<u>\$ 20,757.36</u>	<u>\$ 83,051.13</u>	<u>840,938.88</u>
LIABILITIES:					
Accounts Payable	9,166.46				9,166.46
Intrafund Accounts Payable				\$ 13,060.32	13,060.32
Interfund Accounts Payable		4,908.02		6,000.09	10,908.11
Payable to Student Groups			\$ 20,757.36		20,757.36
Payroll Deductions and Withholdings				63,990.72	63,990.72
Total Liabilities	<u>9,166.46</u>	<u>4,908.02</u>	<u>\$ 20,757.36</u>	<u>\$ 83,051.13</u>	<u>117,882.97</u>
NET POSITION:					
Held in Trust for:					
Unemployment Claims and Other Purposes	722,118.37				722,118.37
Scholarships		937.54			937.54
Total Net Position	<u>\$ 722,118.37</u>	<u>\$ 937.54</u>			<u>\$ 723,055.91</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net
Position For the Fiscal Year Ended June 30, 2017

	<u>Private-Purpose Trust Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Private-Purpose Scholarship Fund</u>	
ADDITIONS:			
Contributions:			
Employee Salary Deductions	\$ 43,813.14		\$ 43,813.14
Board Contributions	54,804.00		54,804.00
Investment Earnings:			
Interest	<u>1,545.62</u>	<u>\$ 8.69</u>	<u>1,554.31</u>
Total Additions	<u>100,162.76</u>	<u>8.69</u>	<u>100,171.45</u>
DEDUCTIONS:			
Unemployment Claims	14,505.61		14,505.61
Scholarships		300.00	300.00
Total Deductions	<u>14,505.61</u>	<u>300.00</u>	<u>14,805.61</u>
Change in Net Position	85,657.15	(291.31)	85,365.84
Net Position -- July 1	<u>636,461.22</u>	<u>1,228.85</u>	<u>637,690.07</u>
Net Position -- June 30	<u><u>\$ 722,118.37</u></u>	<u><u>\$ 937.54</u></u>	<u><u>\$ 723,055.91</u></u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
MIDDLE SCHOOLS:				
Voorhees Middle School	<u>\$ 24,156.20</u>	<u>\$ 86,601.65</u>	<u>\$ 90,000.49</u>	<u>\$ 20,757.36</u>

TOWNSHIP OF VOORHEES 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>
ASSETS:				
Cash and Cash Equivalents	\$ 40,586.00	\$ 31,849,360.88	\$ 31,808,896.63	\$ 81,050.25
Other Accounts Receivable	<u>2,000.00</u>	<u>1,000.88</u>	<u>1,000.00</u>	<u>2,000.88</u>
Total Assets	<u>\$ 42,586.00</u>	<u>\$ 31,850,361.76</u>	<u>\$ 31,809,896.63</u>	<u>\$ 83,051.13</u>
LIABILITIES:				
Net Payroll, Payroll Deductions and Withholdings	\$ 23,355.66	\$ 31,837,134.17	\$ 31,796,499.11	\$ 63,990.72
Intrafund Accounts Payable	12,938.83	13,060.32	12,938.83	13,060.32
Interfund Accounts Payable: Due to General Fund	<u>6,291.51</u>	<u>167.27</u>	<u>458.69</u>	<u>6,000.09</u>
Total Liabilities	<u>\$ 42,586.00</u>	<u>\$ 31,850,361.76</u>	<u>\$ 31,809,896.63</u>	<u>\$ 83,051.13</u>

LONG-TERM DEBT

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

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance <u>June 30, 2016</u>	Paid By Budget <u>Appropriation</u>	Balance <u>June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>				
School Bonds, Series 2008	3-1-2008	\$ 10,199,000.00				\$ 850,000.00	\$ 850,000.00	
Refunding Bonds, Series 2015	8-27-2015	5,720,000.00	3-1-2018	\$ 920,000.00	2.00%	5,705,000.00	70,000.00	\$ 5,635,000.00
			3-1-2019	955,000.00	2.00%			
			3-1-2020	935,000.00	3.00%			
			3-1-2021	925,000.00	4.00%			
			3-1-2022	960,000.00	2.00%			
			3-1-2023	940,000.00	2.25%			
					<u>5,705,000.00</u>	<u>70,000.00</u>	<u>\$ 5,635,000.00</u>	
					<u>\$ 6,555,000.00</u>	<u>\$ 920,000.00</u>	<u>\$ 5,635,000.00</u>	

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
DEBT SERVICE FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 50,000.00		\$ 50,000.00	\$ 50,000.00	
Debt Service Aid Type II	350,583.00		350,583.00	350,583.00	
Total Revenues	<u>400,583.00</u>	<u>-</u>	<u>400,583.00</u>	<u>400,583.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	171,575.00		171,575.00	171,575.00	
Redemption of Principal	920,000.00		920,000.00	920,000.00	
Total Regular Debt Service	<u>1,091,575.00</u>	<u>-</u>	<u>1,091,575.00</u>	<u>1,091,575.00</u>	<u>-</u>
Total Expenditures	<u>1,091,575.00</u>	<u>-</u>	<u>1,091,575.00</u>	<u>1,091,575.00</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(690,992.00)</u>	<u>-</u>	<u>(690,992.00)</u>	<u>(690,992.00)</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Transfers from Capital Reserve				625,098.00	\$ 625,098.00
Transfers from Capital Projects Fund:					
Interest Earned on Deposits				2,465.57	2,465.57
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>627,563.57</u>	<u>627,563.57</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>(690,992.00)</u>	<u>-</u>	<u>(690,992.00)</u>	<u>(63,428.43)</u>	<u>627,563.57</u>
Fund Balance, July 1	<u>2,921.73</u>	<u>-</u>	<u>2,921.73</u>	<u>730,294.31</u>	<u>727,372.58</u>
Fund Balance, June 30	<u>\$ (688,070.27)</u>	<u>\$ -</u>	<u>\$ (688,070.27)</u>	<u>\$ 666,865.88</u>	<u>\$ 1,354,936.15</u>
Restricted for:					
Debt Service				\$ 2,465.88	
Debt Service--Designated for Subsequent Year's Expenditures				664,400.00	
				<u>\$ 666,865.88</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.

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 25,561,988	\$ 26,379,315	\$ 23,470,662	\$ 21,876,771	\$ 20,340,144	\$ 17,176,043	\$ 14,410,879	\$ 12,699,817	\$ 11,409,348	\$ 11,172,709
Restricted	21,308,425	15,618,765	14,289,251	12,815,420	9,976,843	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443
Unrestricted	<u>(14,121,472)</u>	<u>(12,627,323)</u>	<u>(12,089,383)</u>	<u>138,441</u>	<u>1,043,127</u>	<u>1,028,065</u>	<u>919,477</u>	<u>26,074</u>	<u>42,393</u>	<u>(100,663)</u>
Total Governmental Activities Net Position	<u>\$ 32,748,941</u>	<u>\$ 29,370,757</u>	<u>\$ 25,670,530</u>	<u>\$ 34,830,632</u>	<u>\$ 31,360,114</u>	<u>\$ 29,776,349</u>	<u>\$ 26,831,626</u>	<u>\$ 26,325,337</u>	<u>\$ 28,078,799</u>	<u>\$ 27,405,489</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 175,403	\$ 154,907	\$ 81,754	\$ 81,027	\$ 113,227	\$ 139,417	\$ 145,264	\$ 175,204	\$ 159,284	\$ 140,792
Unrestricted	<u>2,930,838</u>	<u>3,066,393</u>	<u>3,016,981</u>	<u>2,933,939</u>	<u>2,950,594</u>	<u>2,753,901</u>	<u>2,543,963</u>	<u>2,368,605</u>	<u>2,242,992</u>	<u>2,141,992</u>
Total Business-type Activities Net Position	<u>\$ 3,106,241</u>	<u>\$ 3,221,300</u>	<u>\$ 3,098,735</u>	<u>\$ 3,014,966</u>	<u>\$ 3,063,821</u>	<u>\$ 2,893,318</u>	<u>\$ 2,689,227</u>	<u>\$ 2,543,809</u>	<u>\$ 2,402,276</u>	<u>\$ 2,282,784</u>
District-wide:										
Net Investment in Capital Assets	\$ 25,737,391	\$ 26,534,222	\$ 23,552,416	\$ 21,957,798	\$ 20,453,371	\$ 17,315,460	\$ 14,556,143	\$ 12,875,021	\$ 11,568,632	\$ 11,313,501
Restricted	21,308,425	15,618,765	14,289,251	12,815,420	9,976,843	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443
Unrestricted	<u>(11,190,634)</u>	<u>(9,560,930)</u>	<u>(9,072,403)</u>	<u>3,072,380</u>	<u>3,993,721</u>	<u>3,781,966</u>	<u>3,463,440</u>	<u>2,394,679</u>	<u>2,285,386</u>	<u>2,041,329</u>
Total District-wide Net Position	<u>\$ 35,855,182</u>	<u>\$ 32,592,057</u>	<u>\$ 28,769,264</u>	<u>\$ 37,845,598</u>	<u>\$ 34,423,934</u>	<u>\$ 32,669,668</u>	<u>\$ 29,520,853</u>	<u>\$ 28,869,146</u>	<u>\$ 30,481,075</u>	<u>\$ 29,688,273</u>

(1) Amounts for the years 2017, 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

Source: CAFR Exhibit A-1

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 16,636,876	\$ 16,646,158	\$ 16,676,254	\$ 16,532,479	\$ 16,894,014	\$ 16,920,056	\$ 17,504,319	\$ 18,669,287	\$ 17,427,245	\$ 16,992,131
Special Education	5,766,736	5,620,710	5,378,487	5,541,692	5,354,575	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577
Other Special Education	706,689	728,930	933,420	844,578	809,981	811,011	1,025,850	948,217	881,892	820,009
Other Instruction	257,567	248,005	253,365	265,536	270,205	266,403	263,827	255,689	247,823	230,755
Community Service Programs	30,832	30,832	30,832	30,654	30,638	30,638	30,638	32,135	34,665	34,665
Support Services:										
Tuition	1,290,057	1,183,880	1,065,193	1,085,257	1,031,607	1,228,232	1,036,796	604,141	1,225,253	1,378,656
Student and Instruction Related Services	4,305,117	4,247,759	4,291,957	4,550,889	4,530,977	4,523,609	4,870,268	4,848,848	4,722,352	4,675,528
School Administrative Services	1,358,653	1,333,516	1,362,719	1,390,600	1,404,185	1,424,243	1,461,720	1,460,670	1,419,384	1,400,469
General and Business Administrative Services	2,417,456	2,361,241	2,232,167	2,107,614	1,823,079	1,754,383	1,916,792	2,038,120	1,841,313	1,817,410
Plant Operations and Maintenance	4,429,023	4,607,056	5,402,734	4,857,424	4,663,691	3,798,540	4,023,459	3,991,629	4,477,490	3,877,520
Pupil Transportation	2,198,984	2,341,166	2,185,135	2,176,996	2,081,621	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680
Unallocated Benefits	27,001,671	21,278,558	18,238,797	11,746,859	12,892,085	11,385,516	10,741,048	11,045,503	10,220,092	11,291,171
Transfer to Charter Schools	13,641	40,085	52,413							
Interest on Long-term Debt	176,104	258,522	415,433	474,649	488,683	674,487	491,185	607,714	757,967	474,837
Amortization of Bond Issuance Costs					488,683	27,023	31,886	18,180	24,394	16,543
Other Administrative Services					181,524					
Unallocated Depreciation	18,082	18,082	19,724	19,724	20,216	23,695	27,381	29,783	29,783	30,661
Total Governmental Activities Expenses	66,607,488	60,944,501	58,538,630	51,624,949	52,477,080	50,029,545	50,462,964	51,829,229	50,162,456	49,307,612
Business-type Activities:										
Food Service	992,965	905,010	915,392	985,757	1,000,986	977,945	915,454	1,006,730	922,694	945,342
Community Education and Recreation	1,612,645	1,483,036	1,468,646	1,499,786	1,224,445	1,179,293	1,077,907	1,066,388	1,094,739	939,382
Total Business-type Activities Expense	2,605,610	2,388,046	2,384,038	2,485,542	2,225,432	2,157,238	1,993,361	2,073,118	2,017,432	1,884,724
Total District Expenses	\$ 69,213,098	\$ 63,332,547	\$ 60,922,669	\$ 54,110,491	\$ 54,702,511	\$ 52,186,782	\$ 52,456,325	\$ 53,902,347	\$ 52,179,888	\$ 51,192,336
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 18,371,312	\$ 14,067,726	\$ 11,722,297	\$ 5,655,361	\$ 6,525,162	\$ 5,423,378	\$ 4,669,421	\$ 5,761,178	\$ 4,487,504	\$ 5,151,213
Capital Grants and Contributions										184,886
Total Governmental Activities Program Revenues	18,371,312	14,067,726	11,722,297	5,655,361	6,525,162	5,423,378	4,669,421	5,761,178	4,487,504	5,336,099
Business-type activities:										
Charges for services										
Food service	594,384	605,714	617,051	648,193	655,551	716,419	732,420	795,895	787,112	768,320
Community Education and Recreation	1,625,277	1,610,021	1,543,770	1,516,742	1,481,582	1,387,525	1,162,483	1,151,141	1,118,897	1,192,202
Operating Grants and Contributions	246,185	263,878	255,408	269,339	256,541	249,689	236,516	259,128	209,584	206,808
Total Business-type Activities Program Revenues	2,465,846	2,479,613	2,416,229	2,434,275	2,393,673	2,353,633	2,131,419	2,206,164	2,115,593	2,167,330
Total District Program Revenues	\$ 20,837,158	\$ 16,547,339	\$ 14,138,526	\$ 8,089,636	\$ 8,918,835	\$ 7,777,011	\$ 6,800,841	\$ 7,967,342	\$ 6,603,097	\$ 7,503,429

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue:										
Governmental Activities	\$ (48,236,176)	\$ (46,876,775)	\$ (46,816,333)	\$ (45,969,588)	\$ (45,951,918)	\$ (44,606,166)	\$ (45,793,543)	\$ (46,068,051)	\$ (45,674,952)	\$ (43,971,513)
Business-type Activities	(139,764)	91,567	32,191	(51,268)	168,241	196,395	138,059	133,046	98,161	282,606
Total District-wide Net Expense	<u>\$ (48,375,940)</u>	<u>\$ (46,785,208)</u>	<u>\$ (46,784,142)</u>	<u>\$ (46,020,855)</u>	<u>\$ (45,783,677)</u>	<u>\$ (44,409,772)</u>	<u>\$ (45,655,484)</u>	<u>\$ (45,935,005)</u>	<u>\$ (45,576,791)</u>	<u>\$ (43,688,907)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 44,762,136	\$ 43,884,447	\$ 43,023,968	\$ 42,180,361	\$ 41,353,295	\$ 40,542,446	\$ 39,747,496	\$ 37,304,872	\$ 37,636,920	\$ 36,652,389
Taxes Levied for Debt Service	50,000	174,869	306,198	789,614	57,333	1,189,617	1,355,271	1,617,027	1,426,395	1,374,254
Unrestricted Grants and Contributions	6,194,332	6,192,410	6,198,786	6,029,282	5,989,632	5,639,642	4,849,673	5,193,609	6,699,932	6,653,586
Investment Earnings	70,174	32,302	16,934	15,692	15,380	54,052	65,993	140,064	469,625	488,312
Other Income	537,718	292,974	112,668	423,257	126,568	123,518	281,399	60,414	115,389	12,428
Donation/(Disposal) of Assets				1900		3,040.00				2,817
Transfers					(6,525)	(1,425.00)		(1,397.00)		(92,111)
Total Governmental Activities	<u>51,614,360</u>	<u>50,577,002</u>	<u>49,658,553</u>	<u>49,440,106</u>	<u>47,535,682</u>	<u>47,550,890</u>	<u>46,299,832</u>	<u>44,314,589</u>	<u>46,348,262</u>	<u>45,091,675</u>
Business-type Activities:										
Investment Earnings	8,258	4,108	2,443	2,413	2,261	7,697	7,359	8,487	21,331	64,694
Unrestricted Grants and Contributions	16,448	26,891	49,135							
Transfers										92,111
Total Business-type Activities	<u>24,705</u>	<u>30,999</u>	<u>51,578</u>	<u>2,413</u>	<u>2,261</u>	<u>7,697</u>	<u>7,359</u>	<u>8,487</u>	<u>21,331</u>	<u>156,805</u>
Total District-wide	<u>\$ 51,639,065</u>	<u>\$ 49,710,132</u>	<u>\$ 49,710,132</u>	<u>\$ 49,442,519</u>	<u>\$ 47,537,943</u>	<u>\$ 47,558,586</u>	<u>\$ 46,307,191</u>	<u>\$ 44,323,076</u>	<u>\$ 46,369,592</u>	<u>\$ 45,248,480</u>
Change in Net Position:										
Governmental Activities	\$ 3,378,184	\$ 3,700,227	\$ 2,842,220	\$ 3,470,519	\$ 1,583,764	\$ 2,944,723	\$ 506,289	\$ (1,753,462)	\$ 673,310	\$ 1,120,162
Business-type Activities	(115,059)	122,565	83,769	(48,855)	170,502	204,091	145,418	141,533	119,492	439,411
Total District	<u>\$ 3,263,126</u>	<u>\$ 3,822,792</u>	<u>\$ 2,925,989</u>	<u>\$ 3,421,664</u>	<u>\$ 1,754,266</u>	<u>\$ 3,148,815</u>	<u>\$ 651,707</u>	<u>\$ (1,611,929)</u>	<u>\$ 792,802</u>	<u>\$ 1,559,573</u>

(1) Amounts for the years 2017, 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.

Source: CAFR Exhibit A-2

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2017 (1)	2016 (1)	2015 (1)	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008
General Fund:										
Reserved								\$ 4,375,540	\$ 6,725,674	\$ 6,093,250
Unreserved								1,408,859	1,525,838	1,082,760
Restricted	\$ 19,854,391	\$ 15,063,310	\$ 11,852,637	\$ 9,272,169	\$ 6,979,318	\$ 5,961,351	\$ 3,573,541			
Assigned	2,957	19,048	16,394		184,125	315,220	913,841			
Unassigned	1,159,570	211,008	1,133,650	1,128,471	1,152,076	1,040,717	1,203,108			
Total General Fund	\$ 21,016,918	\$ 15,293,367	\$ 13,002,681	\$ 10,400,639	\$ 8,315,519	\$ 7,317,287	\$ 5,690,491	\$ 5,784,399	8,251,512	7,176,010
All Other Governmental Funds:										
Reserved								\$ 1,394,561	\$ 704,850	\$ 70,555
Unreserved, Reported in:										
Capital Projects Fund								7,260,191	8,991,493	9,939,671
Debt Service Fund								523,926	309,653	103,224
Permanent Fund									1,397	1,929
Restricted, Reported in:										
Capital Projects Fund	\$ 831,968	\$ 842,876	\$ 848,876	\$ 2,175,955	\$ 3,152,380	\$ 4,849,614	\$ 7,215,339			
Debt Service Fund	666,866	730,294	1,704,923	1,504,898	1,002,215	1,715,975	565,910			
Total All Other Governmental Funds	\$ 1,498,834	\$ 1,573,171	\$ 2,553,799	\$ 3,680,853	\$ 4,154,594	\$ 6,565,588	\$ 7,781,249	\$ 9,178,678	\$ 10,007,394	\$ 10,115,379

(1) GASB Statement No. 54 was effective for the fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Source: CAFR Exhibit B-1

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

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Tax Levy	\$ 44,812,136	\$ 44,059,316	\$ 43,330,166	\$ 42,969,975	\$ 41,410,628	\$ 41,732,063	\$ 41,102,767	\$ 38,921,899	\$ 39,063,315	\$ 38,026,643
Other Local Revenue	607,892	325,275	129,601	438,950	141,948	177,570	347,392	200,479	585,015	500,741
State Sources	12,411,831	11,903,323	11,252,593	10,578,185	11,337,838	9,646,101	8,425,983	8,258,058	10,030,090	10,669,503
Federal Sources	1,100,579	1,163,048	1,157,350	1,106,458	1,176,956	1,416,919	1,093,111	2,696,728	1,157,347	1,135,296
Total Revenue	58,932,438	57,450,963	55,869,711	55,093,568	54,067,369	52,972,653	50,969,253	50,077,164	50,835,766	50,332,183
Expenditures:										
Instruction										
Regular Instruction	15,891,090	15,900,220	15,877,949	15,739,783	16,090,953	16,097,551	16,632,557	17,795,651	16,554,649	16,116,321
Special Education Instruction	5,766,736	5,620,710	5,378,487	5,541,692	5,354,575	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577
Other Special Instruction	706,689	728,930	933,420	844,578	809,981	811,011	1,025,850	948,217	881,892	820,009
Other Instruction	257,567	248,005	253,365	265,536	270,205	266,403	263,827	255,689	247,823	230,755
Support Services:										
Tuition	1,290,057	1,183,880	1,065,193	1,085,257	1,031,607	1,228,232	1,036,796	604,141	1,225,253	1,378,656
Student and Instruction Related Services	4,261,455	4,204,337	4,243,213	4,502,145	4,478,972	4,467,469	4,804,451	4,779,311	4,644,822	4,588,700
School Administrative Services	1,322,106	1,296,969	1,322,816	1,350,190	1,362,198	1,382,425	1,419,425	1,417,007	1,375,721	1,350,776
Other Administrative Services	2,106,421	2,108,865	1,931,523	1,837,270	1,681,454	1,639,012	1,783,174	2,013,336	1,846,875	1,732,344
Plant Operations and Maintenance	3,788,652	4,300,410	5,078,922	4,575,781	4,386,600	3,651,700	3,979,762	3,874,462	4,255,495	3,786,400
Pupil Transportation	2,198,984	2,341,166	2,185,135	2,176,996	2,081,621	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680
Unallocated Benefits	14,468,948	13,496,251	12,490,775	12,036,041	12,875,523	11,300,972	10,918,745	10,766,583	10,114,742	11,188,674
Transfer to Charter Schools	13,641	40,085	52,413							
Debt Service:										
Principal	920,000	1,925,000	1,775,000	1,690,000	1,605,000	1,475,000	1,460,000	1,300,000	1,100,000	1,000,000
Interest and Other Charges	171,575	301,385	412,805	471,005	517,105	558,605	552,233	1,170,744	365,134	417,634
Capital Outlay	119,301	2,560,451	1,393,707	1,365,917	2,927,813	2,520,004	1,545,975	1,345,298	403,040	751,987
Total Expenditures	53,283,222	56,256,664	54,394,723	53,482,188	55,473,606	52,560,092	52,460,591	53,549,750	49,868,250	49,629,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,649,215	1,194,299	1,474,987	1,611,379	(1,406,237)	412,561	(1,491,338)	(3,472,586)	967,517	702,671
Other Financing Sources (Uses):										
Sale of Bonds										10,199,000
Lease Purchase Agreement								178,155		
Proceeds of Refunding Bonds		5,720,000								
Premium on Refunding Bonds		159,681								
Payment to Refunded Bond Escrow Account		(5,763,922)								
Accounts Receivable/Payable Canceled Transfers					(6,525)	(1,425)		(1,397)		(92,112)
Total Other Financing Sources (Uses)	-	115,759	-	-	(6,525)	(1,425)	-	176,758	-	10,106,889
Net Change in Fund Balances	\$ 5,649,215	\$ 1,310,057	\$ 1,474,987	\$ 1,611,379	\$ (1,412,762)	\$ 411,136	\$ (1,491,338)	\$ (3,295,829)	\$ 967,517	\$ 10,809,560
Debt Service as a Percentage of Noncapital Expenditures	2.1%	4.1%	4.1%	4.1%	4.0%	4.1%	4.0%	4.7%	3.0%	2.9%

Source: CAFR Exhibit B-2

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
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>
Various Refunds	\$ 153,489.67	\$ 155,640.25	\$ 48,767.58	\$ 98,421.49	\$ 74,279.64	\$ 21,437.59	\$ 151,163.52	\$ 13,809.10	\$ 35,840.91	\$ 2,383.78
Refund of Prior Year Expenditures	226,192.60									
Refund of Prior Year Expenditures--SDA Grants				36,899.39			36,866.00			
Energy Incentives	35,454.76	38,499.21	46,113.85	27,409.50	20,764.99	6,266.04				
Sale of Assets/Textbooks							200.00			25.00
Outstanding Checks Canceled	2,064.17			5,423.00	10,450.46					677.37
Tuition	104,585.60	60,770.72	14,346.44	251,639.36	20,391.36	95,605.20	71,690.20	46,244.62	79,215.12	9,027.14
Other	503.68	37,768.30	3,098.72	3,127.82	385.91	9.89	407.14			32.68
Administrative Fees	550.50	294.94	340.94	336.56	295.31	199.00	169.68	161.35	333.48	283.58
Emergency Snow Removal--FEMA	14,876.65						21,102.57			
Interest Earned on Deposits	67,708.86	31,091.33	16,012.79	13,691.53	12,482.96	38,077.64	37,560.16	80,001.33	258,413.54	388,544.98
Total Miscellaneous Revenues	\$ 605,426.49	\$ 324,064.75	\$ 128,680.32	\$ 436,948.65	\$ 139,050.63	\$ 161,595.36	\$ 318,959.27	\$ 140,416.40	\$ 373,803.05	\$ 400,974.53

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.

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2017	\$ 50,817,900.00	\$ 2,238,275,181.00	\$ 1,590,859.00	\$ 664,070,400.00	\$ 20,827,900.00	\$ 195,318,300.00	\$ 3,170,900,540.00	\$ 7,478,238.00	\$ 3,178,378,778.00	\$ 1,056,000.00	\$ 453,963,300.00	\$ 3,504,662,894.00	\$ 1.424
2016	50,012,900.00	2,219,870,135.00	1,590,859.00	663,363,701.00	20,611,000.00	166,777,100.00	3,122,225,695.00	7,471,988.00	3,129,697,683.00	1,153,300.00	448,745,750.00	3,436,584,697.00	1.420
2015	51,157,600.00	2,207,420,250.00	1,160,929.00	677,496,800.00	24,856,100.00	217,104,100.00	3,179,195,779.00	7,579,817.00	3,186,775,596.00	425,100.00	445,048,800.00	3,501,951,204.00	1.371
2014	51,420,200.00	2,205,483,150.00	1,240,229.00	677,239,900.00	24,991,600.00	217,891,200.00	3,178,266,279.00	7,339,102.00	3,185,605,381.00	589,700.00	409,962,200.00	3,553,380,236.00	1.354
2013 (3)	52,862,301.00	2,203,083,800.00	1,242,200.00	669,764,600.00	24,578,800.00	217,891,200.00	3,169,422,901.00	6,095,002.00	3,175,517,903.00	836,600.00	410,817,900.00	3,420,317,668.00	1.329
2012	55,063,136.00	2,867,757,290.00	2,412,900.00	720,330,302.00	30,438,700.00	163,947,300.00	3,839,949,628.00	5,880,232.00	3,845,829,860.00	1,343,200.00	442,421,200.00	3,616,212,714.00	1.081
2011	56,917,536.00	2,894,373,390.00	2,412,900.00	727,482,802.00	31,074,300.00	153,757,100.00	3,866,018,028.00	6,050,077.00	3,872,068,105.00	1,254,900.00	335,937,800.00	3,817,563,464.00	1.070
2010	59,871,936.00	2,914,742,490.00	2,415,100.00	717,368,302.00	31,293,100.00	139,233,700.00	3,864,924,628.00	8,018,045.00	3,872,942,673.00	1,713,200.00	334,434,100.00	3,880,300,009.00	1.034
2009	73,054,253.00	2,928,432,441.00	2,415,100.00	721,567,602.00	31,295,800.00	132,232,400.00	3,888,997,596.00	6,250,830.00	3,895,248,426.00	1,727,000.00	329,891,000.00	3,957,681,023.00	1.002
2008	100,398,023.00	2,920,933,820.00	2,415,100.00	683,226,500.00	38,674,400.00	128,030,300.00	3,873,678,143.00	5,680,427.00	3,879,358,570.00	1,834,600.00	320,351,600.00	3,969,739,108.00	0.994

(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

(3) Reassessment

Source: Camden County Board of Taxation

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

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>					Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Regional High School <u>District</u>	Township of <u>Voorhees</u>	Township of Voorhees <u>Fire District</u>	Camden <u>County</u>		
2017	\$ 1.422	\$ 0.001	\$ 1.424	\$ 0.646	\$ 0.799	\$ 0.034	\$ 0.984	\$ 3.887	
2016	1.416	0.004	1.420	0.652	0.630	0.194	0.974	3.870	
2015	1.364	0.008	1.371	0.620	0.607	0.183	0.967	3.748	
2014	1.336	0.017	1.354	0.609	0.607	0.178	0.953	3.701	
2013	1.315	0.013	1.329	0.613	0.587	0.169	0.886	3.584	
2012	1.065	0.016	1.081	0.484	0.466	0.137	0.723	2.891	
2011	1.037	0.033	1.070	0.484	0.441	0.125	0.713	2.833	
2010	0.996	0.038	1.034	0.466	0.441	0.125	0.654	2.720	
2009	0.963	0.039	1.002	0.433	0.412	0.124	0.631	2.602	
2008	0.957	0.036	0.994	0.417	0.394	0.124	0.651	2.580	

Source: Municipal Tax Collector

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value (1)</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Virtua Health-Division of Property Mgmt AG-Candlebrook LLC's	\$ 58,157,401.00	1	1.83%	\$ 22,148,000.00	5	0.57%
Village Group Limited Partnership	49,313,500.00	2	1.55%	35,415,500.00	1	0.91%
DCI-GIM VTC Apts. LP c/o Lowe LLC	33,669,400.00	3	1.06%			
Vista 2016, LLC	27,484,400.00	4	0.86%			
Echelon Glen I & II Investors, LLC	26,929,600.00	5	0.85%	32,712,500.00	2	0.84%
HCP III Eagle, LLC	25,030,300.00	6	0.79%	24,392,400.00	4	0.63%
QRP Voorhees, LP	23,368,000.00	7	0.74%	19,685,200.00	7	0.51%
Cooper Holdings, LLC % Deloitte	17,517,500.00	8	0.55%			
Del Coop, LLC	17,242,700.00	9	0.54%	17,404,500.00	10	0.45%
SJF CCRC, Inc. 311 Route 73, LLC	16,694,500.00	10	0.53%			
BPG Office VI White Horse, LP				26,443,300.00	3	0.68%
Brandywine Plaza 1000 LLC				20,457,900.00	6	0.53%
Echelon Title LLC % PREIT				19,235,800.00	8	0.50%
HUB Properties Trust				19,129,400.00	9	0.49%
Total	\$ 295,407,301.00		9.29%	\$ 237,024,500.00		6.11%

Source: Municipal Tax Assessor

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2017	\$ 44,812,136.00	\$ 44,812,136.00	100.00%	-
2016	44,059,316.00	44,059,316.00	100.00%	-
2015	43,330,166.00	43,330,166.00	100.00%	-
2014	42,969,975.00	42,969,975.00	100.00%	-
2013	41,410,628.00	41,410,628.00	100.00%	-
2012	41,732,063.00	41,732,063.00	100.00%	-
2011	41,102,767.00	41,102,767.00	100.00%	-
2010	38,921,899.00	38,921,899.00	100.00%	-
2009	39,063,315.00	39,063,315.00	100.00%	-
2008	38,026,643.00	38,026,643.00	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.

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases			
2017	\$ 5,635,000.00	-	\$ 5,635,000.00	Unavailable	\$ 191.69
2016	6,555,000.00	-	6,555,000.00	0.46%	222.99
2015	8,209,000.00	-	8,209,000.00	0.60%	279.70
2014	9,984,000.00	-	9,984,000.00	0.75%	340.22
2013	11,674,000.00	-	11,674,000.00	0.89%	397.22
2012	13,279,000.00	-	13,279,000.00	1.03%	452.71
2011	14,754,000.00	-	14,754,000.00	1.20%	503.43
2010	16,176,000.00	\$ 73,859.08	16,249,859.08	1.23%	510.25
2009	17,476,000.00	-	17,476,000.00	1.35%	558.27
2008	18,576,000.00	-	18,576,000.00	1.50%	599.94

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF VOORHEES 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	\$ 5,635,000.00	-	\$ 5,635,000.00	0.18%	\$ 191.69
2016	6,555,000.00	-	6,555,000.00	0.21%	222.99
2015	8,209,000.00	-	8,209,000.00	0.26%	279.70
2014	9,984,000.00	-	9,984,000.00	0.31%	340.22
2013	11,674,000.00	-	11,674,000.00	0.37%	397.22
2012	13,279,000.00	-	13,279,000.00	0.35%	452.71
2011	14,754,000.00	-	14,754,000.00	0.38%	503.43
2010	16,176,000.00	-	16,176,000.00	0.42%	507.93
2009	17,476,000.00	-	17,476,000.00	0.45%	558.27
2008	18,576,000.00	-	18,576,000.00	0.48%	599.94

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

TOWNSHIP OF VOORHEES 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 Voorhees Township</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Voorhees Township School District	\$ 6,555,000.00	\$ 6,555,000.00			
Eastern Regional High School District	1,412,433.97	1,412,433.97			
Voorhees Township	<u>34,078,963.72</u>	<u>9,795,338.89</u>	<u>\$ 24,283,624.83</u>	<u>\$ 24,283,624.83</u>	
	<u>42,046,397.69</u>	<u>17,762,772.86</u>	<u>24,283,624.83</u>	<u>24,283,624.83</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	38,850,000.00	9,347,201.00 (4)	29,502,799.00	2,720,158.07 (6)	\$ 35,665,125.00
Loan Agreement	310,969,957.00		310,969,957.00	28,671,430.04 (6)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	288,955,187.00	288,955,187.00 (5)			
Voorhees Township Fire District (3)	<u>3,725,000.00</u>		<u>3,725,000.00</u>	<u>3,725,000.00</u>	
	<u>642,500,144.00</u>	<u>298,302,388.00</u>	<u>344,197,756.00</u>	<u>35,116,588.10</u>	<u>35,665,125.00</u>
	<u>\$ 684,546,541.69</u>	<u>\$ 316,065,160.86</u>	<u>\$ 368,481,380.83</u>	<u>\$ 59,400,212.93</u>	<u>\$ 35,665,125.00</u>

Sources:

- (1) 2016 Annual Debt Statement
- (2) County's 2016 Audit Report
- (3) Entity's Audit Report
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Township's share of the total 2016 Net Valuation on which County taxes are apportioned, which is 9.22%.
The source for this computation was the 2016 Camden County Abstract of Ratables.

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis (1)
2016	\$ 3,473,771,356
2015	3,490,936,399
2014	<u>3,562,280,071</u>
	<u>\$ 10,526,987,826</u>
Average equalized valuation of taxable property	<u>\$ 3,508,995,942</u>
Debt limit (3% of average equalization value) (2)	\$ 105,269,878
Total Net Debt Applicable to Limit	<u>5,635,000</u>
Legal Debt Margin	<u>\$ 99,634,878</u>

	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>
Debt limit	\$105,269,878.26	\$105,885,459.75	\$107,884,492.80	\$111,828,351.18	\$111,361,171.78	\$113,416,782.31	\$116,427,009.66	\$117,651,162.36	\$113,793,644.37	\$105,195,412.53
Total net debt applicable to limit (3)	<u>5,635,000.00</u>	<u>6,555,000.00</u>	<u>8,209,000.00</u>	<u>9,984,000.00</u>	<u>11,674,000.00</u>	<u>13,279,000.00</u>	<u>14,754,000.00</u>	<u>16,176,000.00</u>	<u>17,476,000.00</u>	<u>18,576,000.00</u>
Legal debt margin	<u>\$ 99,634,878.26</u>	<u>\$ 99,330,459.75</u>	<u>\$ 99,675,492.80</u>	<u>\$101,844,351.18</u>	<u>\$ 99,687,171.78</u>	<u>\$100,137,782.31</u>	<u>\$101,673,009.66</u>	<u>\$101,475,162.36</u>	<u>\$ 96,317,644.37</u>	<u>\$ 86,619,412.53</u>
Total net debt applicable to the limit as a percentage of debt limit	5.35%	6.19%	7.61%	8.93%	10.48%	11.71%	12.67%	13.75%	15.36%	17.66%

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.

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden Per Capita <u>Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	29,396	Unavailable	Unavailable	3.8%
2015	29,370	\$ 1,412,227,080.00	\$ 48,084.00	4.4%
2014	29,349	1,376,057,214.00	46,886.00	5.4%
2013	29,346	1,322,829,642.00	45,077.00	6.0%
2012	29,389	1,314,922,638.00	44,742.00	7.4%
2011	29,332	1,293,981,180.00	44,115.00	7.0%
2010	29,307	1,230,688,851.00	41,993.00	6.4%
2009	31,847	1,326,140,927.00	41,641.00	6.5%
2008	31,304	1,295,140,392.00	41,373.00	3.8%
2007	30,963	1,238,705,778.00	40,006.00	2.9%

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 personal income presented
- (3) Per Capita Personal Income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Annual Average Labor Force</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Annual Average Labor Force</u>
Echelon Mall				1,450	1	8.83%
Virtua New Jersey Health System	1,200	1	8.07%	1,200	2	7.31%
Voorhees Town Center	1,000	2	6.72%			
Cooper Health System	400	3	2.69%			
Children's Hospital	300	4	2.02%			
Lakewood of Voorhees	290	5	1.95%			
Comcast Corp.	265	6	1.78%	265	7	1.61%
Genesis Eldercare	225	7	1.51%	225	8	1.37%
NJ-American Water	200	8	1.34%	180	10	1.10%
Macy's	200	9	1.34%	450	3	2.74%
Boscov's	175	10	1.18%	300	5	1.83%
Cigna Corp.				445	4	2.71%
Lakewood of Voorhees				290	6	1.77%
AFL-Web Inc.				200	9	1.22%
	<u>4,255</u>		<u>28.61%</u>	<u>5,005</u>		<u>30.50%</u>

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

Source: Individual Employers

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.

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

Function/Program	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>
Instruction:										
Regular	173.8	182.3	178.3	183.3	183.3	181.0	182.1	203.1	207.1	204.1
Special Education	100.9	107.7	105.5	107.7	113.5	117.7	117.4	114.0	104.0	107.5
Support Services:										
Student & Instruction Related Services	46.3	44.8	46.3	45.2	45.4	47.9	48.9	49.2	48.9	48.9
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0	4.0
School Administrative Services	19.0	19.0	19.0	19.0	19.0	19.0	20.0	20.0	20.0	20.0
Business Administrative Services	8.2	8.2	7.2	7.2	7.5	7.5	7.5	8.5	8.5	8.5
Plant Operations and Maintenance	30.0	29.0	29.0	29.0	28.5	28.0	29.5	30.0	29.5	28.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	<u>381.2</u>	<u>394.0</u>	<u>388.3</u>	<u>394.4</u>	<u>400.2</u>	<u>404.1</u>	<u>408.4</u>	<u>429.8</u>	<u>423.0</u>	<u>422.0</u>

Source: District Records

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30.	Enrollment	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
						Elementary	Middle School				
2017	2,941	\$52,072,346.70	\$ 17,705.66	3.85%	267	9.1	9.1	2,928	2,800	-0.87%	95.60%
2016	3,019	51,469,828.28	17,048.63	0.86%	281	9.0	9.8	2,954	2,827	-1.73%	95.70%
2015	3,006	50,813,211.68	16,903.93	1.21%	283	9.1	8.7	3,006	2,874	-0.15%	95.60%
2014	2,991	49,955,266.01	16,701.86	2.78%	287	9.9	9.2	3,011	2,875	-3.15%	95.50%
2013	3,103	50,423,688.24	16,249.98	7.40%	298	11.0	11.2	3,108	2,967	-2.21%	95.50%
2012	3,173	48,006,482.91	15,129.68	0.06%	297	11.4	11.2	3,179	3,058	-0.33%	96.20%
2011	3,234	48,902,382.70	15,121.33	-1.31%	302	11.3	11.4	3,189	3,059	0.02%	96.00%
2010	3,246	49,733,709.02	15,321.54	6.61%	306	11.6	11.7	3,189	3,050	-3.73%	95.70%
2009	3,340	48,000,075.39	14,371.28	1.50%	314	11.6	11.9	3,312	3,185	-0.72%	96.17%
2008	3,352	47,459,891.66	14,158.68	5.52%	315	12.1	12.0	3,336	3,204	-1.67%	96.04%

Sources: District Records

TOWNSHIP OF VOORHEES 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>
District Buildings:										
Elementary Schools:										
Hamilton School (1969)										
Square Feet	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	376	410	418	413	453	486	487	504	512	541
Kresson School (1981)										
Square Feet	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115
Capacity (students)	539	539	539	539	539	539	539	539	539	539
Enrollment	392	373	367	342	339	359	390	393	438	433
Osage School (1957)										
Square Feet	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	616	629	641	658	649	647	610	596	614	606
Signal Hill (1988)										
Square Feet	82,283	82,283	82,283	82,283	81,283	81,283	81,283	81,283	81,283	81,283
Capacity (students)	615	615	615	615	615	615	615	615	615	615
Enrollment	467	474	457	477	482	467	527	560	575	550
Middle School:										
Voorhees Middle School (1972)										
Square Feet	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270
Capacity (students)	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259
Enrollment	1,066	1,055	1,107	1,101	1,157	1,146	1,165	1,151	1,170	1,191
Other:										
Administration Building (1957)										
Square Feet	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854

Number of Schools at June 30, 2017
 Elementary = 4
 Middle School = 1
 Other = 1

Source: District Records

TOWNSHIP OF VOORHEES 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 Number	Fiscal Year Ended June 30,									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Kresson Elementary School	SP 5400-055-02-0129	\$ 153,109.65	\$ 162,713.78	\$ 236,936.79	\$ 139,241.00	\$ 139,454.00	\$ 128,943.17	\$ 109,166.82	\$ 122,037.20	\$ 133,653.87	\$ 114,891.02
E.T. Hamilton Elementary School	SP 5400-020-02-0130	103,411.29	168,266.68	379,484.68	151,307.09	116,898.58	115,972.08	91,113.65	117,613.13	151,742.69	126,574.57
Signal Hill Elementary School	SP 5400-095-02-0131	161,174.05	169,186.64	284,080.78	244,481.21	195,230.43	170,501.73	103,453.25	183,314.46	280,046.57	185,202.01
Voorhees Middle School	SP 5400-100-02-0132	326,515.83	588,710.08	633,214.48	629,410.92	385,786.99	425,690.70	346,308.97	344,208.48	501,197.50	407,527.74
Osage Elementary School	SP 5400-090-02-0133	176,221.66	119,052.23	478,950.93	230,126.94	112,054.69	147,728.47	139,022.20	216,726.90	192,021.58	152,816.46
Total School Facilities		<u>920,432.48</u>	<u>1,207,929.41</u>	<u>2,012,667.66</u>	<u>1,394,567.15</u>	<u>949,424.68</u>	<u>988,836.15</u>	<u>789,064.89</u>	<u>983,900.17</u>	<u>1,258,662.21</u>	<u>987,011.80</u>
Other Facilities		<u>14,188.95</u>	<u>19,773.30</u>	<u>40,688.81</u>	<u>22,048.22</u>	<u>15,482.34</u>	<u>13,747.67</u>	<u>8,599.36</u>	<u>11,688.82</u>	<u>12,711.03</u>	<u>17,261.16</u>
Grand Total		<u>\$ 934,621.43</u>	<u>\$ 1,227,702.71</u>	<u>\$ 2,053,356.47</u>	<u>\$ 1,416,615.37</u>	<u>\$ 964,907.02</u>	<u>\$ 1,002,583.82</u>	<u>\$ 797,664.25</u>	<u>\$ 995,588.99</u>	<u>\$ 1,271,373.24</u>	<u>\$ 1,004,272.96</u>

Source: District Records

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2017
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents - Per Occurrence	\$ 175,000,000.00	\$ 500.00
Boiler and Machinery		
Property Damage	125,000,000.00	1,000.00
Comprehensive General Liability	20,000,000.00	-
Automobile Liability	20,000,000.00	-
Workers Compensation	Statutory	-
Educators Legal Liability Policy - Per Claim/Aggregate	20,000,000.00	-
Crime	500,000.00	500.00
Pollution Legal Liability - Per Claim/Aggregate	3,000,000.00	25,000.00
Violent Malicious Acts	1,000,000.00	15,000.00
Cyber Liability	1,000,000.00	25,000.00
Disaster Management Services	2,000,000.00	15,000.00
 Student Accident	 5,000,000.00	 -

Source: School District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Voorhees School District
County of Camden

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Voorhees School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2017. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Voorhees School District's, in the County of Camden, 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 each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Voorhees School District, in the County of Camden, 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 each of its major federal and state programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Township of Voorhees School District, in the County of Camden, 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 each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Todd R. Saler
Certified Public Accountant
Public School Accountant No. CS 02195

Voorhees, New Jersey
November 13, 2017

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2017

Pass-through Grantor/Program Title	CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2016	Carry-over Amount
					From	To		
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Special Education--Medicaid Initiative--Settlement	93.778	1605NJ5MAP	N/A	\$ 2,654.06	7-1-13	6-30-14	\$ (2,654.06)	
Special Education--Medicaid Initiative	93.778	1705NJ5MAP	N/A	41,500.34	7-1-16	6-30-17		
ARRA - Special Education--Medicaid Initiative--Settlement	93.778	1705NJ5MAP	N/A	2,957.35	4-1-09	12-31-09		
Total Medicaid Cluster							(2,654.06)	-
U.S. Department of Homeland Security:								
Passed-through the State Department of Law and Public Safety:								
Public Assistance Grants	97.036	Unavailable	N/A	14,876.65	Unavailable	Unavailable		
Total General Fund							(2,654.06)	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
Title I	84.010	S010A160030	NCLB540017	231,909.00	7-1-16	6-30-17		
Title I	84.010	S010A150030	NCLB540016	247,796.00	7-1-15	6-30-16	(100,936.00)	
Total Title I							(100,936.00)	-
Title II - Part A	84.367	S367A160029	NCLB540017	61,494.00	7-1-16	6-30-17		
Title II - Part A	84.367	S367A150029	NCLB540016	66,190.00	7-1-15	6-30-16	(29,527.00)	
Total Title II - Part A							(29,527.00)	-
Title III	84.365	S365A160030	NCLB540017	12,080.00	7-1-16	6-30-17		
Title III	84.365	S365A150030	NCLB540016	12,719.00	7-1-15	6-30-16	(6,521.00)	
Title III Immigrant	84.365	S365A160030	NCLB540017	8,163.00	7-1-16	6-30-17		
Title III Immigrant	84.365	S365A150030	NCLB540016	21,933.00	7-1-15	6-30-16	(3,985.00)	
Total Title III & Title III Immigrant							(10,506.00)	-
I.D.E.A. Part B:								
Basic	84.027	H027A160100	IDEA540017	753,272.00	7-1-16	6-30-17		\$ 33,628.00
Basic	84.027	H027A150100	IDEA540016	771,947.00	7-1-15	6-30-16	(116,098.00)	(33,628.00)
Pre-School	84.173	H173A160114	IDEA540017	40,123.00	7-1-16	6-30-17		4,593.00
Pre-School	84.173	H173A150114	IDEA540016	39,027.00	7-1-15	6-30-16	(6,883.00)	(4,593.00)
Total I.D.E.A. Part B Special Education Cluster							(122,981.00)	-
Total Special Revenue Fund							(263,950.00)	-
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555	171NJ304N1099	Unavailable	61,518.10	7-1-16	6-30-17		
Cash Assistance:								
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	2,866.39	7-1-15	6-30-16	(162.50)	
School Breakfast Program	10.553	171NJ304N1099	Unavailable	3,885.82	7-1-16	6-30-17		
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	185,453.88	7-1-15	6-30-16	(14,104.69)	
National School Lunch Program	10.555	171NJ304N1099	Unavailable	176,510.50	7-1-16	6-30-17		
Total Child Nutrition Cluster							(14,267.19)	-
Total Enterprise Fund							(14,267.19)	-
Total Federal Financial Assistance							\$ (280,871.25)	\$ -

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Realized as Miscellaneous Revenue

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

Cash Received	Adjustments (A)	Budgetary Expenditures			Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			Accounts Receivable	Unearned Revenue	Due to Grantor
\$ 2,654.06									
41,500.34		\$ 41,500.34		\$ 41,500.34					
2,957.35		2,957.35		2,957.35					
<u>47,111.75</u>	<u>-</u>	<u>44,457.69</u>	<u>-</u>	<u>44,457.69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
14,876.65 (B)			\$ 14,876.65	14,876.65					
<u>61,988.40</u>	<u>-</u>	<u>44,457.69</u>	<u>14,876.65</u>	<u>59,334.34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
145,008.00		230,449.00		230,449.00			\$ (85,441.00)		
100,936.00									
<u>245,944.00</u>	<u>-</u>	<u>230,449.00</u>	<u>-</u>	<u>230,449.00</u>	<u>-</u>	<u>-</u>	<u>(85,441.00)</u>	<u>-</u>	<u>-</u>
29,495.00	\$ (0.40)	61,493.60		61,493.60			(31,999.00)		
29,527.00									
<u>59,022.00</u>	<u>(0.40)</u>	<u>61,493.60</u>	<u>-</u>	<u>61,493.60</u>	<u>-</u>	<u>-</u>	<u>(31,999.00)</u>	<u>-</u>	<u>-</u>
7,751.00		12,080.00		12,080.00			(4,329.00)		
6,521.00									
6,691.00	(0.40)	5,218.60		5,218.60				\$ 1,472.00	
3,985.00									
<u>24,948.00</u>	<u>(0.40)</u>	<u>17,298.60</u>	<u>-</u>	<u>17,298.60</u>	<u>-</u>	<u>-</u>	<u>(4,329.00)</u>	<u>1,472.00</u>	<u>-</u>
554,668.00	(0.46)	711,544.54		711,544.54			(123,249.00)		
149,726.00									
21,975.00	0.44	35,335.44		35,335.44			(8,767.00)		
11,475.00	1.00								
<u>737,844.00</u>	<u>0.98</u>	<u>746,879.98</u>	<u>-</u>	<u>746,879.98</u>	<u>-</u>	<u>-</u>	<u>(132,016.00)</u>	<u>-</u>	<u>-</u>
1,067,758.00	0.18	1,056,121.18		1,056,121.18			(253,785.00)	1,472.00	
61,518.10		58,058.85		58,058.85				3,459.25	
162.50									
3,615.14		3,885.82		3,885.82			(270.68)		
14,104.69									
160,959.36		176,510.50		176,510.50			(15,551.14)		
<u>240,359.79</u>	<u>-</u>	<u>238,455.17</u>	<u>-</u>	<u>238,455.17</u>	<u>-</u>	<u>-</u>	<u>(15,821.82)</u>	<u>3,459.25</u>	<u>-</u>
240,359.79	-	238,455.17	-	238,455.17	-	-	(15,821.82)	3,459.25	-
<u>\$ 1,370,106.19</u>	<u>\$ 0.18</u>	<u>\$ 1,339,034.04</u>	<u>\$ 14,876.65</u>	<u>\$ 1,353,910.69</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (269,606.82)</u>	<u>\$ 4,931.25</u>	<u>\$ -</u>

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2016		Carryover/ Walkover Amount
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	
General Fund:							
State Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	16-495-034-5120-078	\$ 2,916,383.00	7-1-15	6-30-16	\$ (287,998.00)		
Equalization Aid	17-495-034-5120-078	2,916,383.00	7-1-16	6-30-17			
Special Education Categorical Aid	16-495-034-5120-089	1,699,913.00	7-1-15	6-30-16	(167,869.00)		
Special Education Categorical Aid	17-495-034-5120-089	1,699,913.00	7-1-16	6-30-17			
Security Aid	16-495-034-5120-084	236,331.00	7-1-15	6-30-16	(23,338.00)		
Security Aid	17-495-034-5120-084	236,331.00	7-1-16	6-30-17			
PARCC Readiness Aid	16-495-034-5120-098	28,215.00	7-1-15	6-30-16	(2,786.00)		
PARCC Readiness Aid	17-495-034-5120-098	28,215.00	7-1-16	6-30-17			
Per Pupil Growth Aid	16-495-034-5120-097	28,215.00	7-1-15	6-30-16	(2,786.00)		
Per Pupil Growth Aid	17-495-034-5120-097	28,215.00	7-1-16	6-30-17			
Additional Adjustment Aid	16-495-034-5120-085	100,761.00	7-1-15	6-30-16	(9,950.00)		
Additional Adjustment Aid	17-495-034-5120-085	100,761.00	7-1-16	6-30-17			
Professional Learning Community Aid	17-495-034-5120-101	27,615.00	7-1-16	6-30-17			
Total State Aid - Public Cluster					(494,727.00)	-	-
Transportation Aid:							
Transportation Aid	16-495-034-5120-014	525,501.00	7-1-15	6-30-16	(51,894.00)		
Transportation Aid	17-495-034-5120-014	525,501.00	7-1-16	6-30-17			
Nonpublic School Transportation Aid	16-495-034-5120-014	18,792.00	7-1-15	6-30-16	(18,792.00)		
Nonpublic School Transportation Aid	17-495-034-5120-014	22,272.00	7-1-16	6-30-17			
Total Transportation Aid					(70,686.00)	-	-
Extraordinary Special Education Costs Aid							
Extraordinary Special Education Costs Aid	16-495-034-5120-044	211,008.00	7-1-15	6-30-16	(211,008.00)		
Extraordinary Special Education Costs Aid	17-495-034-5120-044	238,943.00	7-1-16	6-30-17			
Total Extraordinary Special Education Costs Aid					(211,008.00)	-	-
Payment for Institutionalized Children - Unknown District of Residence							
Payment for Institutionalized Children - Unknown District of Residence	16-495-034-5120-005	53,213.68	7-1-15	6-30-16	(10,062.90)		
Payment for Institutionalized Children - Unknown District of Residence	17-495-034-5120-005	33,909.87	7-1-16	6-30-17			
Total Payment for Institutionalized Children - Unknown District of Residence					(10,062.90)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	1,561,568.43	7-1-15	6-30-16	(77,930.43)		
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	1,580,581.43	7-1-16	6-30-17			
Total Reimbursed TPAF Social Security Contributions					(77,930.43)	-	-
Total General Fund					(864,414.33)	-	-
Special Revenue Fund:							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	17-100-034-5120-070	22,680.00	7-1-16	6-30-17	-	-	-
Textbook Aid (Ch. 194, L. 1977)	16-100-034-5120-064	12,792.00	7-1-15	6-30-16		\$ 4,409.00	
Textbook Aid (Ch. 194, L. 1977)	17-100-034-5120-064	14,353.00	7-1-16	6-30-17			
Total Textbook Aid (Ch. 194, L. 1977)					-	4,409.00	-
Technology Aid	16-100-034-5120-373	5,824.00	7-1-15	6-30-16		1.00	
Technology Aid	17-100-034-5120-373	6,474.00	7-1-16	6-30-17			
					-	1.00	-
Security Aid	16-100-034-5120-509	5,650.00	7-1-15	6-30-16		881.00	
Security Aid	17-100-034-5120-509	12,950.00	7-1-16	6-30-17			
					-	881.00	-
Auxiliary Services (Ch. 192, L. 1977)	16-100-034-5120-067						
Compensatory Education		84,603.00	7-1-15	6-30-16		21,493.00	
English as a Second Language		12,079.00	7-1-15	6-30-16		6,471.00	
Auxiliary Services (Ch. 192, L. 1977)	17-100-034-5120-067						
Compensatory Education		83,309.00	7-1-16	6-30-17			
English as a Second Language		10,963.00	7-1-16	6-30-17			
Total Auxiliary Services (Ch. 192, L. 1977)					-	27,964.00	-
Handicapped Services (Ch. 193, L. 1977)	16-100-034-5120-066						
Corrective Speech		31,771.00	7-1-15	6-30-16		18,144.00	
Examination and Classification		35,272.00	7-1-15	6-30-16		15,506.00	
Supplementary Instruction		19,307.00	7-1-15	6-30-16		6,684.00	
Handicapped Services (Ch. 193, L. 1977)	17-100-034-5120-066						
Corrective Speech		26,505.00	7-1-16	6-30-17			
Examination and Classification		42,857.00	7-1-16	6-30-17			
Supplementary Instruction		23,541.00	7-1-16	6-30-17			
Total Handicapped Services (Ch. 193, L. 1977)					-	40,334.00	-
State Department of Treasury:							
Passed through Township of Voorhees:							
Municipal Drug Alliance	2000-475-995120-60	9,095.00	7-1-15	6-30-16	(4,475.00)		
Municipal Drug Alliance	2000-475-995120-60	9,095.00	7-1-16	6-30-17			
Total Municipal Alliance					(4,475.00)	-	-
Total Special Revenue Fund					(4,475.00)	73,589.00	-
Debt Service Fund:							
State Department of Education:							
State Support	17-495-034-5120-075	350,583.00	7-1-16	6-30-17	-	-	-

Cash Received	Adjustments (A)	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 287,998.00									
2,627,895.14		\$ 2,916,383.00			\$ (288,487.86)			\$ (288,487.86)	\$ 2,916,383.00
167,869.00									
1,531,758.04		1,699,913.00			(168,154.96)			(168,154.96)	1,699,913.00
23,338.00									
212,953.20		236,331.00			(23,377.80)			(23,377.80)	236,331.00
2,786.00									
25,423.98		28,215.00			(2,791.02)			(2,791.02)	28,215.00
2,786.00									
25,423.98		28,215.00			(2,791.02)			(2,791.02)	28,215.00
9,950.00									
90,793.75		100,761.00			(9,967.25)			(9,967.25)	100,761.00
24,883.33		27,615.00			(2,731.67)			(2,731.67)	27,615.00
5,033,858.42	-	5,037,433.00	-	-	(498,301.58)	-	-	(498,301.58)	5,037,433.00
51,894.00									
473,518.58		525,501.00			(51,982.42)			(51,982.42)	525,501.00
18,792.00									
		22,272.00			(22,272.00)				22,272.00
544,204.58	-	547,773.00	-	-	(74,254.42)	-	-	(51,982.42)	547,773.00
211,008.00									
		238,943.00			(238,943.00)				238,943.00
211,008.00	-	238,943.00	-	-	(238,943.00)	-	-	-	238,943.00
10,062.90									
		33,909.87			(33,909.87)				33,909.87
10,062.90	-	33,909.87	-	-	(33,909.87)	-	-	-	33,909.87
77,930.43									
1,501,594.45		1,580,581.43			(78,986.98)				1,580,581.43
1,579,524.88	-	1,580,581.43	-	-	(78,986.98)	-	-	-	1,580,581.43
7,378,658.78	-	7,438,640.30	-	-	(924,395.85)	-	-	(550,284.00)	7,438,640.30
22,680.00	-	22,680.00	-	-	-	-	-	-	22,680.00
14,353.00	\$ 0.19	13,865.19		\$ 4,409.00			\$ 488.00		13,865.19
14,353.00	0.19	13,865.19	-	4,409.00	-	-	488.00	-	13,865.19
6,474.00	(1.00)	6,409.93					64.00		6,409.93
6,474.00	(1.07)	6,409.93	-	-	-	-	64.00	-	6,409.93
12,950.00	(0.07)	11,703.93		881.00			1,246.00		11,703.93
12,950.00	(0.07)	11,703.93	-	881.00	-	-	1,246.00	-	11,703.93
	(2.00)			21,491.00					
				6,471.00					
83,309.00	0.47	50,970.47 (B)					32,339.00		50,970.47
10,963.00		3,837.00 (B)					7,126.00		3,837.00
94,272.00	(1.53)	54,807.47	-	27,962.00	-	-	39,465.00	-	54,807.47
				18,144.00					
				15,506.00					
				6,684.00					
26,505.00		11,839.00 (B)					14,666.00		11,839.00
42,857.00		23,230.00 (B)					19,627.00		23,230.00
23,541.00		14,517.00 (B)					9,024.00		14,517.00
92,903.00	-	49,586.00	-	40,334.00	-	-	43,317.00	-	49,586.00
4,475.00									
4,620.00		9,095.00			(4,475.00)				9,095.00
9,095.00	-	9,095.00	-	-	(4,475.00)	-	-	-	9,095.00
252,727.00	(2.48)	168,147.52	-	73,586.00	(4,475.00)	-	84,580.00	-	168,147.52
350,583.00	-	350,583.00	-	-	-	-	-	-	350,583.00

(Continued)

TOWNSHIP OF VOORHEES SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2016		Carryover/ Walkover Amount
			From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor	
Enterprise Fund:							
State School Lunch Aid	16-100-010-3350-023	\$ 8,114.06	7-1-15	6-30-16	\$ (602.74)		
State School Lunch Aid	17-100-010-3350-023	7,729.71	7-1-16	6-30-17			
Total State School Lunch Aid					(602.74)	-	-
Total Enterprise Fund					(602.74)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(869,492.07)	\$ 73,589.00	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Treasury:							
On-behalf T.P.A.F. Pension Contributions - Normal Cost	17-495-034-5094-002	2,344,642.00	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Non-contributory Insurance	17-495-034-5094-004	84,952.00	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Long Term Disability Insurance	17-495-034-5094-004	4,125.00	7-1-16	6-30-17			
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	17-495-034-5094-001	2,024,404.00	7-1-16	6-30-17			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (869,492.07)	\$ 73,589.00	\$ -

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Passed through to Camden County Educational Services Commission

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

Cash Received	Adjustments (A)	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 602.74		\$ 7,729.71			\$ (680.39)				\$ 7,729.71
7,049.32		7,729.71	-	-	(680.39)	-	-	-	7,729.71
7,652.06	-	7,729.71	-	-	(680.39)	-	-	-	7,729.71
7,652.06	-	7,729.71	-	-	(680.39)	-	-	-	7,729.71
7,989,620.84	\$ (2.48)	7,965,100.53	-	\$ 73,586.00	(929,551.24)	-	\$ 84,580.00	\$ (550,284.00)	7,965,100.53
2,344,642.00		2,344,642.00							2,344,642.00
84,952.00		84,952.00							84,952.00
4,125.00		4,125.00							4,125.00
2,024,404.00		2,024,404.00							2,024,404.00
4,458,123.00	-	4,458,123.00	-	-	-	-	-	-	4,458,123.00
\$ 12,447,743.84	\$ (2.48)	\$ 12,423,223.53	\$ -	\$ 73,586.00	\$ (929,551.24)	\$ -	\$ 84,580.00	\$ (550,284.00)	\$ 12,423,223.53

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

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 Voorhees 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 exception: 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: INDIRECT COST RATE

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

Note 4: 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 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$3,663.00) for the general 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	\$ 59,334.34	\$ 11,896,763.30	\$ 11,956,097.64
Special Revenue	1,056,121.18	168,147.52	1,224,268.70
Debt Service		350,583.00	350,583.00
Food Service	238,455.17	7,729.71	246,184.88
Total Awards and Financial Assistance	<u>\$ 1,353,910.69</u>	<u>\$ 12,423,223.53</u>	<u>\$ 13,777,134.22</u>

Note 5: 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 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding adjustments.

Note 7: 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, long-term disability insurance and post-retirement medical costs related to TPAF members.

Note 8: MAJOR PROGRAMS

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

TOWNSHIP OF VOORHEES 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

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 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 X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	Special Education Cluster (I.D.E.A.):
84.027	H027A160100	I.D.E.A. Part B Basic
84.173	H173A160114	I.D.E.A. Part B Preschool
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \$750,000

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

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

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.

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

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).

None.

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

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.

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

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.

