

**CAMDEN COUNTY  
EDUCATIONAL SERVICES COMMISSION**



**CLEMENTON, NEW JERSEY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Table of Contents

---

<b>INTRODUCTORY SECTION</b>	<b><u>Page</u></b>
Letter of Transmittal	2
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
 <b>FINANCIAL SECTION</b>  	
<b>Independent Auditor's Report</b>	11
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	17
<b>Basic Financial Statements</b>	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Proprietary Funds:	
B-4 Statement of Net Position	35
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	37
B-6 Statement of Cash Flows	38
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	39
B-8 Statement of Changes in Fiduciary Net Position	40
<b>Notes to the Financial Statements</b>	41
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	68
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	73
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	74

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Table of Contents (Cont'd)

<b>FINANCIAL SECTION (CONT'D)</b>		<b>Page</b>
<b>Required Supplementary Information - Part III</b>		
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)		
L-1	Schedule of the Commission's Proportionate Share of the Net Pension Liability – PERS	77
L-2	Schedule of the Commission's Contributions – PERS	78
L-3	Schedule of the Commission's Proportionate Share of the Net Pension Liability – TPAF	79
L-4	Schedule of Commission's Contributions – TPAF	80
L-5	Notes to the Required Supplementary Information - Part III GASB 68 Pension Changes	81
<b>Required Supplementary Information - Part IV</b>		
L-6	Schedule of Funding Progress for Health Benefits Plan	N/A
L-7	Notes to the Required Supplementary Information - Part IV	N/A
<b>Other Supplementary Information</b>		
D. School Based Budget Schedules:		
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:		
E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	84
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:		
F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a	Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b	Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Table of Contents (Cont'd)

<b>FINANCIAL SECTION (CONT'D)</b>	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	86
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	88
G-3 Statement of Cash Flows	89
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	91
H-2 Statement of Changes in Fiduciary Net Position	92
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll and Agency Fund Schedule of Receipts and Disbursements	93
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Lease Purchase Agreement Payable	95
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
<b>STATISTICAL SECTION (Unaudited)</b>	
<b>Introduction to the Statistical Section</b>	
<b>Financial Trends</b>	
J-1 Net Position by Component	98
J-2 Changes in Net Position	99
J-3 Fund Balances - Governmental Funds	101
J-4 Changes in Fund Balances - Governmental Funds	102
J-5 General Fund - Unrestricted Miscellaneous Revenues by Source	103
<b>Revenue Capacity</b>	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-6a Schedule of Charges for Services by Source	105
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies and Collections	N/A
<b>Debt Capacity</b>	
J-10 Ratios of Outstanding Debt by Type	107
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Table of Contents (Cont'd)

---

<b>STATISTICAL SECTION (Unaudited) CONT'D</b>	<b>Page</b>
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	109
J-15 Principal Employers	N/A
<b>Operating Information</b>	
J-16 Full-time Equivalent Commission Employees by Function/Program	111
J-17 Operating Statistics	N/A
J-18 School Building Information	113
J-19 Schedule of Required Maintenance Expenditures by School Facility	N/A
J-20 Insurance Schedule	114
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	14
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required By OMB Circular A-133 and State of New Jersey Circular 15-08-OMB	113
K-3 Schedule of Expenditures of Federal Awards, Schedule A	117
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	119
K-5 Notes to the Schedules of Federal Awards and State Financial Assistance	121
K-6 Schedule of Findings and Questioned Costs	123
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	128

## **INTRODUCTORY SECTION**



**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
**225 WHITE HORSE AVENUE**  
**CLEMENTON, NEW JERSEY 08021**  
**856-784-2100**  
**[www.camdenesc.org](http://www.camdenesc.org)**

**W. Patrick Madden**  
**School Business Administrator/  
Board Secretary**

December 17, 2015

Honorable President and Members of the  
Camden County Educational Services Commission  
County of Camden  
State of New Jersey

Dear Board of Directors:

The comprehensive annual financial report of the Camden County Educational Services Commission for the fiscal year ended June 30, 2015 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 Camden County Educational Services Commission. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission'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 Commission's organizational chart and a list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Commission is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments' and Nonprofit Organizations", and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICE:** Camden County Educational Services Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds of the Commission are included in this report. The Camden County Educational Services Commission and all of its programs and services constitute the Commissions reported entity.

The Commission provides specific educational services appropriate to member districts requests for private and public students in grade levels K through 12. These services include transportation, special education and non-public services. Students transported attend summer, vocational, private, and special education schools. Non-Public and special services were provided in the following areas: compensatory education, ESL, speech, child study evaluations, home instruction, supplemental instruction, and occupational therapy. The Commission also provides the educational program at the Camden County Juvenile Detention Center.

		PL 192/193
<u>YEAR</u>	<u>TRANSPORTATION</u>	<u>NON-PUBLIC AND SPECIAL SERVICES</u>
2014-2015	10,582 students	47,723 services
2013-2014	10,187 students	47,084 services

2. **ECONOMIC CONDITION AND OUTLOOK:** The recent history of reduced funding for public education by the state and increased restrictions on fund balance have forced school districts to find creative and more cost effective ways to meet their obligations. In response, the Camden County Educational Services Commission continues to expand and seek opportunities to assist member districts. By coordinating and providing efficient programs and services at the county-level, school districts are relieved of the associated administrative burdens and realize cost savings that reduce local property taxes. The Commission continues to form partnerships and build relationships where stakeholders routinely look to the Commission for assistance in fulfilling their mission to educate the youth of Camden County.
3. **MAJOR INITIATIVES:** Since its inception in 1979, coordinated transportation services and non-public school programs have dominated the Commission's activities.

On July 1, 2013 the Commission embarked on a shared services plan with the Camden City School District to coordinate all of its transportation services. The impact on revenue and operations at the Commission was significant. The revenue growth to the Commission from 2013 to 2014 for transportation grew from \$13.6 million to \$24.3 million, an increase of 79%. This shared service agreement continues to be a main source of revenue for the Commission, with transportation revenue for the year ending June 30, 2015 of \$27.3 million, an increase of 12.3% over the prior year.

The Commission continually looks to improve efficiencies and processes through the use of information technologies. In order to increase productivity, limit customer service disruptions and provide for disaster recovery, the Commission analyzes and upgrades its network infrastructure on a regular basis. These upgrades are necessary to meet the growing customer demands and the added staff necessary for scaling to operational efficiency.

Future growth is important to the viability of the Commission. As such, the growth plan must include strategies to decrease exposure to revenue concentration by developing alternative service offers. In order to execute on these strategies, new service offers may be fulfilled by direct services, purchased services, or strategic partnerships. Initial phases of the growth plan will target expansion in Purchased Services. School Districts are continually looking for competitive pricing for therapeutic services (OT/PT/Speech, etc.). Traditionally, the Commission has provided these services through a third party arrangement with for-profit companies who charge high hourly rates and very high administrative fees. The Commission believes that an opportunity exists to fulfill this need with a direct service model. This direct model does have staffing challenges, though. In order to have staff available to provide expected services, the Commission would need to hire prior to having commitments for work. Conversely, if the Commission waits to hire staff until a firm need is present, the time to hire staff could jeopardize the time-sensitive delivery of services. To address this challenge, the Commission engaged into a partnership with Rowan University. At the April 2015 Board of Director's meeting, the Director's approved a contract with Rowan. The intent of the contract is to form a partnership with the University's Early Intervention Program (EIP) in their fulfillment of professional services as a Comprehensive EIP agency. The Commission and Rowan EIP believe that their combined needs can be fulfilled with using a shared professional split between both organizations. If the model works as planned, it will be the foundation for growth that will benefit the Rowan EIP, the Commission, the schools and most important, the children.

Another initiative included in the Commission's growth plan is a partnership with Cooper University Health Care. Every school district has a contract with physicians for pediatric psychiatric and neurodevelopmental assessments to meet NJAC 6A:14 mandates for Child Study Team evaluations. By forming a partnership with Cooper, our plan is to be the primary contractor with the Pediatric Neurology Department and utilize our general services contract with the school districts to facilitate the arrangements for evaluations. The Commission also believes this partnership can expand into the Rehabilitative Services practice where the hope is that OT/PT/Speech professionals have interest in per diem/per case work for the Commission.

The aforementioned initiatives created a need for organizational changes. At the March 2015 Board of Directors meeting, the reorganization plan was approved along with approval to hire a Manager of Enterprise Operations.

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

As a recipient of state financial assistance, the Commission is also 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 Commission management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the Commission 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 Board of Directors. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

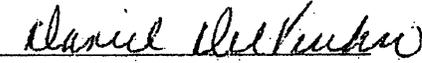
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance on June 30, 2015.

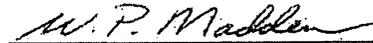
6. ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standard Board (GASB). The accounting system of the Commission is organized on the basis of funds. These funds are explained in "Notes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

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

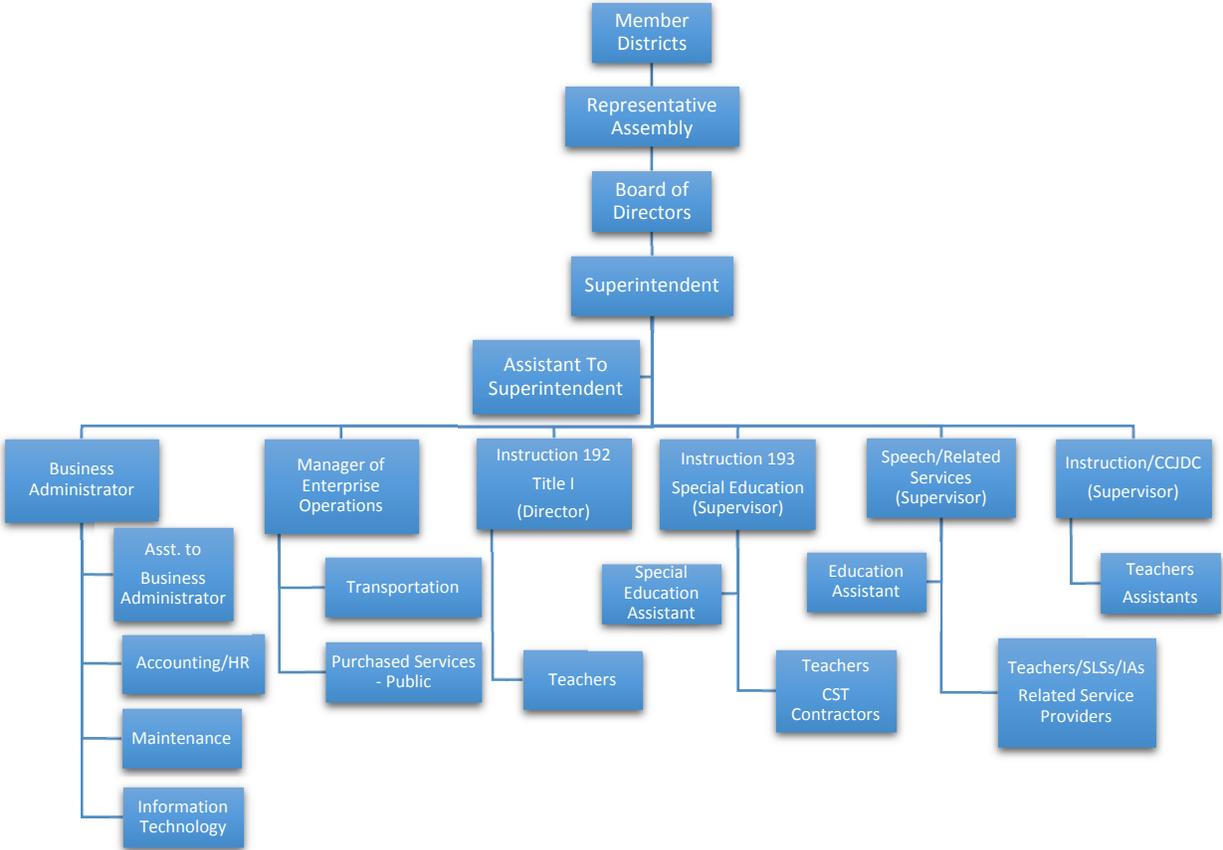
8. RISK MANAGEMENT: The Commission carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP has been selected by the Board of Directors to conduct our audit. In addition to meeting the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Board of Directors of the Camden County Educational Services Commission for their concern in providing fiscal accountability to the citizens and taxpayers of our member districts 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,

  
Daniel Del Vecchio  
Superintendent

  
W. Patrick Madden  
Business Administrator/Board Secretary

# Camden County Educational Services Commission Organizational Chart



**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION  
CLEMENTON, NJ**

Roster of Officials

June 30, 2015

---

<u>Members of the Board of Directors</u>	<u>District</u>	<u>Term Expires</u>
Joyce A. Miller	Gibbsboro	2016
Doris Walsh	Laurel Springs	2016
Francine Viscome	Berlin Borough	2016
Jennifer Storer	Black Horse Pike Regional	2016
Kathy Judge	Cherry Hill	2016
Virginia deHaan	Clementon	2016
Marianne Brown	Audubon	2016
Dr. Richard Teichman	Eastern Regional	2016
Linda Gilch	Gloucester Township	2016
Rebecca DePrince	Magnolia	2016
Alethia Gibbs-Smith	Lindenwold	2016
Barbara Villari-Peters	Pine Hill	2016
Brian Davis	Berlin Township	2016
Michael Drumm	Barrington	2016
Michael Redfearn	Stratford	2016
<u>Officers</u>		
Joyce A. Miller, President		2016
Doris Walsh, Vice President		2016
Dr. Richard Teichman, Secretary/Treasurer		2016
<u>Other Officials</u>		
Daniel Del Vecchio , Superintendent		
W. Patrick Madden, Business Administrator / Board Secretary		
Alan R. Schmoll, Attorney		

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION  
CLEMENTON, NJ**

Consultants and Advisors

June 30, 2015

---

Auditor

L. Jarred Corn, CPA, RMA, PSA  
Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 08043-2493

Solicitor/Negotiator

Alan R. Schmoll  
Capehart & Scatchard  
8000 Midlantic Drive, Suite 300S  
Mt. Laurel, New Jersey 08054

Health Insurance Broker/Insurance Risk Manager

Brown and Brown Consulting Group  
24 Arnett Avenue Suite 110  
Lambertville, New Jersey 08530

Hardenbergh Insurance Group  
8000 Sagemore Drive Suite 8101  
Marlton, New Jersey 08053

Architect

Garrison Architects  
713 Creek Road  
Bellmawr, New Jersey 08031

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Directors  
Camden County Educational Services Commission  
Clementon, New Jersey 08021

### ***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 Camden County Educational Services Commission, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission'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 Commission'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 Commission'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 Camden County Educational Services Commission, in the County of Camden, State of New Jersey, as of June 30, 2015, 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.

**Emphasis of Matter***Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2015, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) 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*. Our opinions are not modified with respect to this matter.

*Prior Period Restatement*

Because of the implementation of GASB Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities and the statement of revenues, expenses, and changes in fund net position has been restated, as discussed in note 16 to the financial statements. Our opinions are not modified with respect to this matter.

**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 Commission's proportionate share of the net pension liability, and schedule of Commission'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 Camden County Educational Services Commission's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of the Camden County Educational Services Commission'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 Camden County Educational Services Commission's internal control over financial reporting and compliance.

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
December 17, 2015

**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 Directors  
Camden County Educational Services Commission  
Clementon, New Jersey 08021

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 Camden County Educational Services Commission, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 17, 2015. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from the adoption of new accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Camden County Educational Services Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Camden County Educational Services Commission'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 Commission'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 Camden County Educational Services Commission'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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
December 17, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

---

As management of the Camden County Educational Services Commission (hereafter referred to as the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Commission's financial performance.

### FINANCIAL HIGHLIGHTS

- During the fiscal year ended June 30, 2015, the Commission was required to implement Governmental Accounting Standards Board (GASB) 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*. The notes to the financial statements provide a more thorough discussion of the implementation of GASBS No. 68 and GASBS No. 71 and the financial statement effects.
- The net position of the Commission, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, totaled \$6,878,255.42 at the close of the current fiscal year. Of this amount, \$6,530,527.86 represents net position of governmental activities and \$347,727.56 for business-type activities.
- As of the close of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$6,073,573.05, an increase of \$583,037.80, or eleven percent (11%), in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,073,573.05, which represents an eleven percent (11%) increase from that of the prior fiscal year. Maintaining fund balance is vital for the Commission's cash flow.
- The Commission's total lease purchase agreement decreased by \$148,776.79 as a result of budgeted payments.

### USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This comprehensive annual financial report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. Fund financial statements for the governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

#### Reporting the Commission as a Whole

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the fiscal year's activities?" The statement of net position and the statement of activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

---

### USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)

#### Reporting the Commission as a Whole (Cont'd)

These two statements report the Commission's *net position* and changes in it. You can think of the Commission's net position - which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources - as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as the condition of the Commission's capital assets, to assess the *overall health* of the Commission.

In the statement of net position and the statement of activities, we divide the Commission into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where all of the Commission's basic services are reported and are supported from intergovernmental revenues. The business-type activities of the Commission include an enterprise fund and are supported from user fees and charges.

#### Reporting the Commission's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the Commission as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* - governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Commission maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund, which are all considered to be major funds.

The Commission adopts an annual budget for its general fund, special revenue fund, and debt service fund, if applicable. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

*Proprietary Funds* - The Commission maintains one type of proprietary fund; that being an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Commission uses an enterprise fund to account for its user fees and charges.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

**USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)**

Reporting the Commission's Most Significant Funds (Cont'd)

*Fiduciary Funds* - fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Commission's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the Financial Statements* - the notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**THE COMMISSION AS A WHOLE**

During fiscal year 2015, the Commission's net position increased by \$787,207.84, increasing from \$6,091,047.58 in fiscal year 2014 to \$6,878,255.42 in fiscal year 2015. Our analysis that follows focuses on the net position (Table 1) and changes in net position (Table 3) of the Commission's governmental-type activities and business-type activities.

	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2015	2014	2015	2014	2015	2014	Change	% Change
Current and Other Assets	\$ 6,183,820.91	\$ 5,502,437.75	\$ 794,064.28	\$ 440,755.26	\$ 6,977,885.19	\$ 5,943,193.01	\$ 1,034,692.18	17.4%
Capital Assets	<u>757,508.90</u>	<u>715,720.64</u>	<u>3,242,375.04</u>	<u>3,410,068.16</u>	<u>3,999,883.94</u>	<u>4,125,788.80</u>	<u>(125,904.86)</u>	-3.1%
Total Assets	<u>6,941,329.81</u>	<u>6,218,158.39</u>	<u>4,036,439.32</u>	<u>3,850,823.42</u>	<u>10,977,769.13</u>	<u>10,068,981.81</u>	<u>908,787.32</u>	9.0%
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>460,291.00</u>	<u>-</u>	<u>460,291.00</u>	<u>-</u>	<u>460,291.00</u>	100.0%
Other Liabilities	115,865.30	18,099.55	262,031.91	32,923.09	377,897.21	51,022.64	326,874.57	640.6%
Long-Term Liabilities Outstanding	<u>294,936.65</u>	<u>331,670.43</u>	<u>3,740,132.85</u>	<u>1,380,752.16</u>	<u>4,035,069.50</u>	<u>1,712,422.59</u>	<u>2,322,646.91</u>	135.6%
Total Liabilities	<u>410,801.95</u>	<u>349,769.98</u>	<u>4,002,164.76</u>	<u>1,413,675.25</u>	<u>4,412,966.71</u>	<u>1,763,445.23</u>	<u>2,649,521.48</u>	150.2%
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>146,838.00</u>	<u>-</u>	<u>146,838.00</u>	<u>-</u>	<u>146,838.00</u>	100.0%
Net Investment in Capital Assets	469,125.31	397,581.69	2,088,840.67	2,137,512.36	2,557,965.98	2,535,094.05	22,871.93	0.9%
Unrestricted	<u>6,061,402.55</u>	<u>5,470,806.72</u>	<u>(1,741,113.11)</u>	<u>299,635.81</u>	<u>4,320,289.44</u>	<u>5,770,442.53</u>	<u>(1,450,153.09)</u>	25.1%
Total Net Position	<u>6,530,527.86</u>	<u>5,868,388.41</u>	<u>347,727.56</u>	<u>2,437,148.17</u>	<u>6,878,255.42</u>	<u>8,305,536.58</u>	<u>(1,427,281.16)</u>	-17.2%
Restatement to record Net Pension Liability (GASBS No. 68 and No. 71)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,214,489.00)</u>	<u>-</u>	<u>(2,214,489.00)</u>	<u>2,214,489.00</u>	100.0%
Net Position	<u>\$ 6,530,527.86</u>	<u>\$ 5,868,388.41</u>	<u>\$ 347,727.56</u>	<u>\$ 222,659.17</u>	<u>\$ 6,878,255.42</u>	<u>\$ 6,091,047.58</u>	<u>\$ 787,207.84</u>	12.9%

In total, assets increased by \$908,787.32, deferred outflows of resources increased by \$460,291.00, liabilities increased by \$2,649,521.48, and deferred inflows of resources increased by \$146,838.00. The increase in assets was primarily attributable to an increase in cash on hand at fiscal year-end, a direct result of the positive \$787,207.84 change in net position. The net increase in deferred outflows of resources, the net increase in liabilities, and the increase in deferred inflows of resources, were primarily attributable to the implementation of GASBS No. 68 and GASBS No. 71 (pensions - see note 6 and Table 2 that follows).

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2015  
 (Unaudited)

**THE COMMISSION AS A WHOLE (CONT'D)**

<b>TABLE 2</b>				
<b>NET POSITION - EFFECT OF PENSION RELATED ITEMS</b>				
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 460,291.00	-	\$ 460,291.00	100.0%
Less: Net Pension Liability	(2,463,954.00)	\$ (2,214,489.00)	249,465.00	11.3%
Less: Deferred Inflows Related to Pensions	<u>(146,838.00)</u>	<u>-</u>	146,838.00	100.0%
<b>Total Net Position Effect</b>	<u><u>\$ (2,150,501.00)</u></u>	<u><u>\$ (2,214,489.00)</u></u>		

Thirty-seven percent (37%) or \$2,557,965.98, of the Commission's total net position at the end of the current fiscal year reflects its net investment in capital assets (i.e., land, buildings, equipment). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The Commission uses these assets to provide educational services to students and other services to local school districts; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources since the capital assets themselves cannot be used to liquidate these liabilities.

The final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned component of net position. At the end of the current fiscal year, the Commission's unrestricted net position was \$4,320,289.44. Unrestricted fund balance is decreased by the recording of long-term liabilities for lease purchase agreement, compensated absences, and net pension liability. Such long-term liabilities are funded by the Commission on a pay-as-you-go basis. See note 5 in the notes to the financial statements for further detail regarding long-term liabilities.

Table 3 on the next page illustrates the changes in net position of the Commission's governmental-type activities and business-type activities.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

**THE COMMISSION AS A WHOLE (CONT'D)**

TABLE 3 CHANGES IN NET POSITION								
	Governmental Activities		Business-Type Activities		Government-wide Totals		Government-wide	
	2015	2014	2015	2014	2015	2014	Change	% Change
<b>REVENUES:</b>								
<b>Program Revenues:</b>								
Charges for Services	\$ 28,009,807.28	\$ 27,093,827.47	\$ 7,288,236.96	\$ 4,682,305.69	\$ 35,298,044.24	\$ 31,776,133.16	\$ 3,521,911.08	11.1%
Operating Grants and Contributions	316,788.86	891,337.23	647,481.35		964,270.21	891,337.23	72,932.98	8.2%
Capital Grants and Contributions	20,411.95	6,510.00			20,411.95	6,510.00	13,901.95	213.5%
<b>General Revenues:</b>								
Interest and Investment Earnings - Unrestricted	5,290.48	15,201.56			5,290.48	15,201.56	(9,911.08)	-65.2%
Miscellaneous	12,580.27	4,262.31	6,697.34		19,277.61	4,262.31	15,015.30	352.3%
<b>Total Revenues</b>	<b>28,364,878.84</b>	<b>28,011,138.57</b>	<b>7,942,415.65</b>	<b>4,682,305.69</b>	<b>36,307,294.49</b>	<b>32,693,444.26</b>	<b>3,613,850.23</b>	<b>11.1%</b>
<b>EXPENSES:</b>								
Instruction	624,284.15	1,191,685.37			624,284.15	1,191,685.37	(567,401.22)	-47.6%
Support Services	27,065,514.01	25,784,210.91			27,065,514.01	25,784,210.91	1,281,303.10	5.0%
Interest on Long-Term Debt	12,941.23	14,177.91			12,941.23	14,177.91	(1,236.68)	-8.7%
Loss on Disposal of Capital Assets		1,903.81				1,903.81	(1,903.81)	-100.0%
Enterprise Fund			7,817,347.26	4,454,720.10	7,817,347.26	4,454,720.10	3,362,627.16	75.5%
<b>Total Expenses</b>	<b>27,702,739.39</b>	<b>26,991,978.00</b>	<b>7,817,347.26</b>	<b>4,454,720.10</b>	<b>35,520,086.65</b>	<b>31,446,698.10</b>	<b>4,073,388.55</b>	<b>13.0%</b>
<b>Change in Net Position</b>	<b>662,139.45</b>	<b>1,019,160.57</b>	<b>125,068.39</b>	<b>227,585.59</b>	<b>787,207.84</b>	<b>1,246,746.16</b>	<b>(459,538.32)</b>	<b>-36.9%</b>
<b>Net Position, July 1</b>	<b>5,868,388.41</b>	<b>4,849,227.84</b>	<b>222,659.17</b>	<b>2,209,562.58</b>	<b>6,091,047.58</b>	<b>7,058,790.42</b>		
<b>Net Position, June 30</b>	<b>6,530,527.86</b>	<b>5,868,388.41</b>	<b>347,727.56</b>	<b>2,437,148.17</b>	<b>6,878,255.42</b>	<b>8,305,536.58</b>		
Restatement to record Net Pension Liability (GASBS No. 68 and No. 71)	-	-	-	(2,214,489.00)	-	(2,214,489.00)		
<b>Net Position</b>	<b>\$ 6,530,527.86</b>	<b>\$ 5,868,388.41</b>	<b>\$ 347,727.56</b>	<b>\$ 222,659.17</b>	<b>\$ 6,878,255.42</b>	<b>\$ 6,091,047.58</b>		

During fiscal year 2015, the Commission's total revenues increased by \$3,613,850.23, increasing from \$32,693,444.26 in fiscal year 2014 to \$36,307,294.49 in fiscal year 2015. The net change in total revenues is largely attributable to the following:

- charges for services - transportation increased from fiscal year 2014 by \$2,931,050.64, or 12%
- charges for services - nonpublic auxiliary and handicapped services increased from fiscal year 2014 by \$347,233.00, or 7%

Transportation charges constituted approximately seventy-five percent (75%) of total revenues for the Commission for the fiscal year 2015. In addition, nonpublic auxiliary and handicapped services constituted approximately fourteen percent (14%) of total revenues for the Commission. Lastly, other charges for services, operating grants and contributions, capital grants and contributions, interest and investment earnings, and miscellaneous income constituted approximately eleven percent (11%) of total revenues for the Commission.

During fiscal year 2015, the Commission's total expenses increased by \$4,073,388.55, increasing from \$31,446,698.10 in fiscal year 2014 to \$35,520,086.65 in fiscal year 2015. The net decrease is largely attributable to the following:

- an increase in transportation costs for support services in the amount of \$3,112,011.98, or 13%, attributable to increase in transportation billings

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

---

### THE COMMISSION'S FUNDS

#### Governmental Funds

As the Commission completed the fiscal year, its governmental funds reported a *combined* fund balance of \$6,073,573.05, which is an increase over last fiscal year's total of \$5,490,535.25. Of the combined ending fund balances of \$6,073,573.05, the balance is 100% unassigned fund balance.

*General fund* - The general fund is the general operating fund of the Commission and is used to account for the inflows and outflows its of financial resources. The acquisition of certain capital assets, such as equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,073,573.05.

During the current fiscal year, the fund balance of the Commission's general fund increased by \$583,037.80, or eleven (11%). The primary factor affecting the fund balance of the general fund is as follows:

- transportation revenues increased from fiscal year 2014 by \$2,931,050.64, or 12%
- transportation expenditures increased from fiscal year 2014 by \$3,112,011.98, or 13%

*Special revenue fund* - The special revenue fund is used to account for and report the proceeds of specific revenue sources, such as state or federal government grants, that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. At the end of the current fiscal year, no fund balance existed in the special revenue fund.

*Capital projects fund* - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of major capital facilities, other than those financed by the proprietary funds. Generally, the financial resources of the capital projects fund are derived from the issuance of debt. There was no activity in the capital projects fund during the fiscal year ended June 30, 2015.

*Debt service fund* - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. There was no activity in the capital projects fund during the fiscal year ended June 30, 2015.

#### Proprietary Funds

*Enterprise Fund* - as the Commission completed the fiscal year, the Commission's total net position of the enterprise fund was \$347,727.56, which was comprised of \$2,088,840.67 of net investment in capital assets and unrestricted net position deficit in the amount of \$1,741,113.11. The deficit is primarily due to the recording of net pension liability. See notes 5 and 6 in the notes to the financial statements for further detail regarding the net pension liability.

During the current fiscal year, the net position of the Commission's enterprise fund increased by \$125,068.39, or fifty-six percent (56%).

#### General Fund Budgetary Highlights

The Commission had a budget modifications during the fiscal year ended June 30, 2015 due to the increase in transportation contracts.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2015  
 (Unaudited)

**THE COMMISSION'S FUNDS (CONT'D)**

General Fund Budgetary Highlights (Cont'd)

The final budgetary basis revenue estimate was \$27,705,654.00, compared to the original budgeted estimate of \$23,831,825.00. Total budgeted revenues realized equaled \$28,154,594.16, which was \$448,940.16 in excess of the budget estimate, thus replenishing fund balance. This excess was directly attributable to the Commission's reimbursed T.P.A.F. pension contributions (normal cost and post-retirement medical) and reimbursed T.P.A.F. social security contributions, which totaled \$84,566.56, and \$42,349.57, respectively. In addition, the Commission realized \$416,973.06 in excess of budgeted revenues for transportation fees.

The final budgetary basis expenditure appropriation estimate was \$27,795,558.00, compared to the original budgeted estimate of \$23,832,125.00. Actual expenditures incurred of \$27,571,556.36 were under the final budget estimate by \$224,001.64.

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$242,713.00, which remained unchanged from the original budgeted estimate. Likewise, this was the same for the final budgetary basis appropriation estimate.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

The Commission's net investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to a historical cost of \$5,716,634.71, or \$3,999,883.94 net of accumulated depreciation (see Table 4). This net investment in capital assets includes land, land improvements, buildings and building improvements, machinery and equipment, and vehicles. Net capital assets decreased by \$125,904.86 in fiscal year 2015 from fiscal year 2014. The primary factors affecting the net change in net capital assets are as follows:

- current year depreciation expense was \$216,079.75
- loss on disposal of assets in the amount of \$69,829.92
- capital asset additions in the amount of \$160,004.81

<b>TABLE 4</b>						
<b>CAPITAL ASSETS AT FISCAL YEAR END</b>						
<b>(NET OF ACCUMULATED DEPRECIATION)</b>						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Government-wide</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 58,380.00	\$ 58,380.00	\$ 233,520.00	\$ 233,520.00	\$ 291,900.00	\$ 291,900.00
Land Improvements	3,382.11	4,675.37	13,528.43	18,701.47	16,910.54	23,376.84
Buildings and Building Improvements	588,790.87	585,766.22	2,863,670.36	2,956,148.60	3,452,461.23	3,541,914.82
Machinery and Equipment	60,752.96	34,112.29	53,521.26	63,106.85	114,274.22	97,219.14
Vehicles	46,202.96	32,786.76	78,134.99	138,591.24	124,337.95	171,378.00
<b>Total</b>	<b>\$ 757,508.90</b>	<b>\$ 715,720.64</b>	<b>\$ 3,242,375.04</b>	<b>\$ 3,410,068.16</b>	<b>\$ 3,999,883.94</b>	<b>\$ 4,125,788.80</b>

Additional information on the Commission's capital assets can be found in note 4.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)

---

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)**

Debt

*Lease Purchase Agreement.* At the end of the current fiscal year, the Commission had a lease purchase agreement outstanding in the amount of \$1,441,917.96. The annual principal payment during the fiscal year 2015 was \$148,776.79 (refer to audit exhibit I-2, schedule of lease purchase agreement payable, for more detail).

*Net Pension Liability.* The Commission's annual required contribution to the Public Employees' Retirement System are paid on an annual basis. For additional details on the net pension liability, see note 6 to the financial statements.

*Compensated Absences.* At the end of the current fiscal year, the liability for compensated absences was \$129,197.54. Compensated absences are those absences for which employees will be paid, such as sick leave. Additional information on compensated absences can be found in note 11 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the fiscal year 2015, the Commission was able to sustain its budget through transportation fees, tuition, federal and state sources, and other various revenue sources. The Commission will continue to grow and develop services based upon the needs of its member districts. Any future programs offered will be the direct result of cooperation between its member districts and the Commission.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Camden County Educational Services Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Patrick Madden, Business Administrator, at the Camden County Educational Services Commission, 225 White Horse Avenue, Clementon, New Jersey 08021.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

## Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,921,692.50		\$ 2,921,692.50
Internal Balances	608,363.53	\$ (608,363.53)	
Accounts Receivable	2,653,764.88	1,402,427.81	4,056,192.69
Capital Assets, net	<u>757,508.90</u>	<u>3,242,375.04</u>	<u>3,999,883.94</u>
Total Assets	<u>6,941,329.81</u>	<u>4,036,439.32</u>	<u>10,977,769.13</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Related to Pension	<u>-</u>	<u>460,291.00</u>	<u>460,291.00</u>
<b>LIABILITIES:</b>			
Accounts Payable	110,247.86	153,265.38	263,513.24
Accrued Wages		86,296.75	86,296.75
Accrued Interest Payable	5,617.44	22,469.78	28,087.22
Noncurrent Liabilities:			
Due within One Year	33,982.13	174,129.56	208,111.69
Due beyond One Year	<u>260,954.52</u>	<u>3,566,003.29</u>	<u>3,826,957.81</u>
Total Liabilities	<u>410,801.95</u>	<u>4,002,164.76</u>	<u>4,412,966.71</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	<u>-</u>	<u>146,838.00</u>	<u>146,838.00</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	469,125.31	2,088,840.67	2,557,965.98
Unrestricted (Deficit)	<u>6,061,402.55</u>	<u>(1,741,113.11)</u>	<u>4,320,289.44</u>
Total Net Position	<u>\$ 6,530,527.86</u>	<u>\$ 347,727.56</u>	<u>\$ 6,878,255.42</u>

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2015

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	\$ 624,284.15	\$ 702,781.22	\$ 119,493.00	\$ 20,411.95	\$ 218,402.02		\$ 218,402.02
Support Services:							
Student and Instruction Related Services	161,533.58		74,970.29		(86,563.29)		(86,563.29)
Other Administrative Services	25,795.72				(25,795.72)		(25,795.72)
School Administrative Services	14,461.57				(14,461.57)		(14,461.57)
Plant Operations and Maintenance	11,914.34				(11,914.34)		(11,914.34)
Pupil Transportation	26,455,193.96	27,307,026.06			851,832.10		851,832.10
Personal Services - Employee Benefits	396,614.84		122,325.57		(274,289.27)		(274,289.27)
Interest on Long-Term Debt	12,941.23				(12,941.23)		(12,941.23)
Total Governmental Activities	<u>27,702,739.39</u>	<u>28,009,807.28</u>	<u>316,788.86</u>	<u>20,411.95</u>	<u>644,268.70</u>	<u>-</u>	<u>644,268.70</u>
Business-Type Activities:							
Enterprise Fund	<u>7,817,347.26</u>	<u>7,288,236.96</u>	<u>647,481.35</u>			\$ 118,371.05	<u>118,371.05</u>
Total Business-Type Activities	<u>7,817,347.26</u>	<u>7,288,236.96</u>	<u>647,481.35</u>	<u>-</u>	<u>-</u>	<u>118,371.05</u>	<u>118,371.05</u>
Total Primary Government	<u>\$ 35,520,086.65</u>	<u>\$ 35,298,044.24</u>	<u>\$ 964,270.21</u>	<u>\$ 20,411.95</u>	<u>644,268.70</u>	<u>118,371.05</u>	<u>762,639.75</u>
General Revenues:							
Interest and Investment Earnings - Unrestricted					5,290.48		5,290.48
Miscellaneous					12,580.27	6,697.34	19,277.61
Total General Revenues					<u>17,870.75</u>	<u>6,697.34</u>	<u>24,568.09</u>
Change in Net Position					662,139.45	125,068.39	787,207.84
Net Position, July 1 (Restated)					<u>5,868,388.41</u>	<u>222,659.17</u>	<u>6,091,047.58</u>
Net Position, June 30					<u>\$ 6,530,527.86</u>	<u>\$ 347,727.56</u>	<u>\$ 6,878,255.42</u>

The accompanying notes to financial statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,921,692.50				\$ 2,921,692.50
Interfunds Account Receivable:					
Special Revenue Fund	28,591.24				28,591.24
Enterprise Fund	608,363.53				608,363.53
Intergovernmental Accounts Receivable:					
Federal		\$ 28,591.24			28,591.24
State	2,083.65				2,083.65
Other	2,623,089.99				2,623,089.99
<b>Total Assets</b>	<u>\$ 6,183,820.91</u>	<u>\$ 28,591.24</u>	<u>-</u>	<u>-</u>	<u>\$ 6,212,412.15</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Interfunds Account Payable:					
General Fund		\$ 28,591.24			\$ 28,591.24
Fiduciary Funds	\$ 1,226.26				1,226.26
Intergovernmental Accounts Payable:					
Other	26.10				26.10
Accounts Payable	108,995.50				108,995.50
<b>Total Liabilities</b>	<u>110,247.86</u>	<u>28,591.24</u>	<u>-</u>	<u>-</u>	<u>138,839.10</u>
<b>Fund Balances:</b>					
Unassigned	<u>6,073,573.05</u>				<u>6,073,573.05</u>
<b>Total Fund Balances</b>	<u>6,073,573.05</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,073,573.05</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,183,820.91</u>	<u>\$ 28,591.24</u>	<u>-</u>	<u>-</u>	

(Continued)

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Governmental Funds

Balance Sheet

June 30, 2015

---

	Total Governmental Funds
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,057,044.77, and the accumulated depreciation is \$299,535.87.	\$ 757,508.90
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.	(5,617.44)
Long-term liabilities, including lease purchase agreement payable and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(294,936.65)</u>
Net Position of Governmental Activities	<u>\$ 6,530,527.86</u>

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Tuition from Other LEAs within the State	\$ 702,781.22				\$ 702,781.22
Transportation Fees from Other LEAs	27,307,026.06				27,307,026.06
Unrestricted Miscellaneous Revenues	17,870.75				17,870.75
Federal Sources		\$ 214,875.24			214,875.24
State Sources	126,916.13				126,916.13
<b>Total Revenues</b>	<b>28,154,594.16</b>	<b>214,875.24</b>	<b>-</b>	<b>-</b>	<b>28,369,469.40</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	491,542.70	119,493.00			611,035.70
Support Services and Undistributed Costs:					
Student and Instruction Related Services	90,820.04	74,970.29			165,790.33
Other Administrative Services	16,732.31				16,732.31
School Administrative Services	57,737.77				57,737.77
Plant Operations and Maintenance	35.43				35.43
Pupil Transportation	26,454,665.97				26,454,665.97
Personal Services - Employee Benefits	401,205.40				401,205.40
Capital Outlay	58,816.74	20,411.95			79,228.69
<b>Total Expenditures</b>	<b>27,571,556.36</b>	<b>214,875.24</b>	<b>-</b>	<b>-</b>	<b>27,786,431.60</b>
Excess (Deficiency) of Revenues over Expenditures	583,037.80	-	-	-	583,037.80

(Continued)

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2015

---

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Net Change in Fund Balances	\$ 583,037.80	-	-	-	\$ 583,037.80
Fund Balance, July 1	<u>5,490,535.25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,490,535.25</u>
Fund Balance, June 30	<u><u>\$ 6,073,573.05</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 6,073,573.05</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 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, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Governmental Funds	\$	583,037.80
<p>Governmental funds report capital outlays 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	\$	(37,440.43)
Capital Outlays		<u>79,228.69</u>
		41,788.26
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		29,755.36
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences, interest on debt), are measured by the amounts incurred 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 these differences in the treatment of these items.</p>		
		<u>7,558.03</u>
Change in Net Position of Governmental Activities	\$	<u><u>662,139.45</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2015

---

ASSETS:

Current Assets:

Intergovernmental Accounts Receivable:

State		\$ 11,198.57
Other		<u>1,391,229.24</u>

Total Current Assets	<u>1,402,427.81</u>
----------------------	---------------------

Noncurrent Assets:

Capital Assets	4,951,489.94
Less: Accumulated Depreciation	<u>(1,709,114.90)</u>

Total Capital Assets (Net of Accumulated Depreciation)	<u>3,242,375.04</u>
--	---------------------

Total Noncurrent Assets	<u>3,242,375.04</u>
-------------------------	---------------------

Total Assets	<u>4,644,802.85</u>
--------------	---------------------

DEFERRED OUTFLOWS OF RESOURCES:

Related to Pensions	<u>460,291.00</u>
---------------------	-------------------

LIABILITIES:

Current Liabilities:

Interfund Accounts Payable:

General Fund	608,363.53
--------------	------------

Intergovernmental Accounts Payable:

Other	2,556.00
-------	----------

Accounts Payable	150,709.38
------------------	------------

Accrued Wages	86,296.75
---------------	-----------

Accrued Interest Payable	22,469.78
--------------------------	-----------

Compensated Absences Payable	50,049.71
------------------------------	-----------

Lease Purchase Agreement Payable	<u>124,079.85</u>
----------------------------------	-------------------

Total Current Liabilities	<u>1,044,525.00</u>
---------------------------	---------------------

Noncurrent Liabilities:

Compensated Absences Payable	72,594.77
------------------------------	-----------

Lease Purchase Agreement Payable	1,029,454.52
----------------------------------	--------------

Net Pension Liability	<u>2,463,954.00</u>
-----------------------	---------------------

Total Noncurrent Liabilities	<u>3,566,003.29</u>
------------------------------	---------------------

Total Liabilities	<u>4,610,528.29</u>
-------------------	---------------------

(Continued)

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2015

---

DEFERRED INFLOWS OF RESOURCES:

Related to Pensions	<u>\$ 146,838.00</u>
---------------------	----------------------

NET POSITION:

Net Investment in Capital Assets	2,088,840.67
Unrestricted	<u>(1,741,113.11)</u>
Total Net Position	<u><u>\$ 347,727.56</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Revenues, Expenses, and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2015

**OPERATING REVENUES:**

## Charges for Services:

Nonpublic Auxiliary and Handicapped Services	\$ 5,029,538.69
Educational Services	1,391,738.80
Child Study Team Evaluations	384,591.96
Related Services	359,434.61
Home Instruction Services	98,632.50
Nursing Services	22,759.40
Cooperative Purchasing Services	1,541.00

## General:

Miscellaneous	<u>6,697.34</u>
---------------	-----------------

## Total Operating Revenues

<u>7,294,934.30</u>
---------------------

**OPERATING EXPENSES:**

Personnel Services - Salaries	4,389,209.34
Personnel Services - Employee Benefits	1,683,700.10
Purchased Professional and Technical Services	1,043,724.02
Purchased Property Services	9,312.95
Other Purchased Services	214,062.24
Supplies and Materials	167,459.78
Depreciation	178,639.32
Miscellaneous Expenditures	8,988.66
Other Objects	<u>656.00</u>

## Total Operating Expenses

<u>7,695,752.41</u>
---------------------

## Operating Income (Loss)

<u>(400,818.11)</u>
---------------------

**NONOPERATING REVENUES (EXPENSES):**

## State Sources:

On-Behalf T.P.A.F. Pension Contributions - Normal Cost	147,483.84
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	272,390.16
Reimbursed T.P.A.F. Social Security Contributions	227,607.35
Interest Expense	(51,764.93)
Loss on Disposal of Capital Assets	<u>(69,829.92)</u>

## Total Nonoperating Revenues (Expenses)

<u>525,886.50</u>
-------------------

## Change in Net Position

125,068.39
------------

## Net Position, July 1 (Restated)

<u>222,659.17</u>
-------------------

## Net Position, June 30

<u>\$ 347,727.56</u>
----------------------

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 6,913,786.85
Payments to Suppliers	(1,430,439.15)
Payments to Employees	(4,289,491.21)
Payments for Employee Benefits	<u>(1,617,851.36)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(423,994.87)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State Sources	636,282.78
Transfer from / (to) General Fund	<u>41,592.00</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>677,874.78</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from Sales of Capital Assets	1.00
Purchases of Capital Assets	(80,776.12)
Principal Paid on Lease Purchase Debt	(119,021.43)
Interest Paid on Debt	<u>(54,083.36)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(253,879.91)</u>

Net Increase (Decrease) in Cash and Cash Equivalents

-

Cash and Cash Equivalents, July 1

-

Cash and Cash Equivalents, June 30

-

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (400,818.11)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	178,639.32
(Increase) Decrease in Intergovernmental Accounts Receivable	(383,703.45)
Increase (Decrease) in Intergovernmental Accounts Payable	2,556.00
Increase (Decrease) in Accounts Payable	13,764.50
Increase (Decrease) in Accrued Wages	86,296.75
Increase (Decrease) in Compensated Absences Payable	14,448.12
Increase (Decrease) in Net Pension Liability	<u>64,822.00</u>

Net Cash Provided by (Used for) Operating Activities

\$ (423,994.87)

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2015

	Private-Purpose Trust Funds	Agency Funds
	Flexible Benefits <u>Trust</u>	<u>Payroll</u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 6,282.38	\$ 14,896.26
Interfund Accounts Receivable:		
General Fund	1,236.75	
Total Assets	7,519.13	\$ 14,896.26
<b>LIABILITIES:</b>		
Interfund Accounts Payable:		
General Fund		\$ 10.49
Payroll Deductions and Withholdings		14,885.77
Total Liabilities	-	\$ 14,896.26
<b>NET POSITION:</b>		
Held in Trust for Other Purposes	\$ 7,519.13	

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Fund Net Position  
 For the Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds
	Flexible Benefits Trust
<b>ADDITIONS:</b>	
Contributions:	
Other	\$ 24,979.84
Total Contributions	24,979.84
Investment Earnings:	
Interest and Dividends	7.96
Net Investment Earnings	7.96
Total Additions	24,987.80
<b>DEDUCTIONS:</b>	
Claims	27,850.84
Total Deductions	27,850.84
Change in Net Position	(2,863.04)
Net Position, July 1	10,382.17
Net Position, June 30	\$ 7,519.13

The accompanying notes to financial statements are an integral part of this statement.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2015

---

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

The financial statements of the Camden County Educational Services Commission (the "Commission") 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 Commission is a local educational agency organized pursuant to the rules and regulations of the Department of Education of the State of New Jersey. The Commission is located in the Borough of Clementon, County of Camden, State of New Jersey. The purpose of the Commission is to provide educational and administrative services and programs for local school districts located within Camden County. The Commission functions independently through a Board of Directors. The Board is comprised of fifteen members selected to a one-year term at the annual reorganization meeting of the Member Districts. The Superintendent is appointed by the Board to act as executive officer of the Commission.

The primary criterion for including activities within the Commission'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 Commission. 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 Commission over which the Board exercises operating control.

**Component Units**

In evaluating how to define the Commission 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*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. 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 Commission has no component units, and is not a component unit of another governmental agency.

**Government-wide and Fund Financial Statements**

The Commission'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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by 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 Commission 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 Commission 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 Commission. 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.

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 Commission 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.

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 Commission.

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

The Commission reports the following major governmental funds:

**General Fund** - The general fund is the primary operating fund of the Commission. 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 Commission 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 transportation fees, other 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, 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.

Proprietary funds are used to account for the Commission'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 Commission reports the following major proprietary fund:

**Enterprise Fund** - This fund accounts for the financial activity related to contracting with private schools to provide services under Chapters 192 and 193 of the Laws of 1977, Auxiliary Services for Non-Public Pupils. Students from various Camden County districts, as well as some districts from adjacent counties, receive one or more of the following services as needed: compensatory education, English as a second language, examination and classification, speech correction, home instruction, and supplemental instruction. In addition, this fund accounts for the financial activity related to contracting with schools for other various services.

Fiduciary funds are used to account for assets held by the Commission on behalf of outside related organizations or on behalf of other funds within the Commission. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

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

The Commission maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll). The Commission 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 Commission maintains one agency fund, that being for payroll.

**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 Commission maintains the following private-purpose trust fund:

**Flexible Benefits Trust Fund** - Revenues consist of volunteer pre-tax employee payroll withholdings for the purpose of paying for qualified medical expenses, and interest income. Expenditures represent reimbursements to employees for qualified medical expenses.

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.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds (if necessary), and are submitted to the county office of education. 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 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. 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 and C-2 include 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 Commission 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.

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

Open encumbrances in the special revenue fund, however, for which the Commission 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 educational institutions 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 educational institutions.

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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Transportation Fees from Other LEAs Receivable**

Transportation fees from other LEAs ("local education agency") were established by the Commission based on actual costs plus an administrative fee approved by the Board of Directors.

**Tuition Receivable**

Tuition charges for the fiscal year ended June 30, 2015 was based on the number of students serviced times the state allotments awarded to the sending school district for students.

**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, 2015. As of June 30, 2015, no such prepayments exist.

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 Commission, 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 Commission. 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 fair market value at the time received.

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

<b><u>Description</u></b>	<b><u>Estimated Lives</u></b>
Land Improvements	20 Years
Buildings and Building Improvements	7 - 50 Years
Machinery and Equipment	5 - 20 Years
Vehicles	8 Years

The Commission does not possess any infrastructure assets.

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

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 Commission 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 Commission's proportion of expenses and liabilities to the pension as a whole, differences between the Commission's pension contribution and its proportionate share of contributions, and the Commission's pension contributions subsequent to the pension valuation measurement date.

**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 Commission is eligible to realize the revenue.

**Accrued Salaries and Wages**

The Commission has accrued wages of \$86,296.75 recorded as a result of an arbitration proceeding regarding the settlement of employment contracts.

**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 Commission 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 Commission and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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. Long-term debt is 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 Commission 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 Commission applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance**

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

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

***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 Commission's highest level of decision-making authority, which, for the Commission, is the Board of Directors. Such formal action consists of an affirmative vote by the Board of Directors, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Directors 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 Commission's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Directors or by the business administrator, to which the Board of Directors 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 Directors.

***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 Commission 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 Commission 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**

For the fiscal year ended June 30, 2015, the Commission adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Commission was required to measure and recognize liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. The cumulative effect of adopting GASB Statements No. 68 and No. 71 totaled (\$2,437,148.17), and was recognized as a restatement of the Commission's June 30, 2014 net position on the statement of activities and statement of net position (see note 16).

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the Commission in fiscal year 2016. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement will become effective for the Commission in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the Commission in fiscal year 2017. Management does not expect this Statement will have an impact on the financial statements.

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. The Statement will become effective for the Commission in fiscal year 2018. Management does not expect this Statement will have an impact on the financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Statement will become effective for the Commission in fiscal year 2016. Management does not expect this Statement will have an impact on the financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the Commission in fiscal year 2017. Management does not expect this Statement will have an impact on the notes to the financial statements.

**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 Commission's deposits might not be recovered. Although the Commission 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 Commission in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings or funds that may pass to the Commission relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2015, the Commission's bank balances of \$5,764,753.72 were exposed to custodial credit risk as follows:

Insured under F.D.I.C.	\$ 250,000.00
Insured under GUDPA	<u>5,514,753.72</u>
	<u>\$ 5,764,753.72</u>

**Note 3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2015 consisted of reimbursements and intergovernmental awards / grants as well as charges for transportation, tuition, nonpublic auxiliary and handicapped service, and other various services. All receivables are considered collectible in full due to the stable condition of federal and state programs and the regulated budgetary control of governmental entities in New Jersey.

**Note 3: ACCOUNTS RECEIVABLE (CONT'D)**

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

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Funds</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Enterprise Fund</u>	<u>Total Business-Type Activities</u>	<u>Total</u>
Federal Awards		\$ 28,591.24	\$ 28,591.24			\$ 28,591.24
State Awards	\$ 2,083.65		2,083.65	\$ 11,198.57	\$ 11,198.57	13,282.22
Intergovernmental	2,623,089.99		2,623,089.99	1,391,229.24	1,391,229.24	4,014,319.23
	<u>\$ 2,625,173.64</u>	<u>\$ 28,591.24</u>	<u>\$ 2,653,764.88</u>	<u>\$ 1,402,427.81</u>	<u>\$ 1,402,427.81</u>	<u>\$ 4,056,192.69</u>

**Note 4: CAPITAL ASSETS**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2015 is as follows:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 58,380.00			\$ 58,380.00
Total Capital Assets, not being Depreciated	58,380.00	-	-	58,380.00
Capital Assets, being Depreciated:				
Land Improvements	25,865.20			25,865.20
Buildings and Building Improvements	761,475.02	\$ 19,324.20		780,799.22
Machinery and Equipment	93,436.86	39,694.49	\$ (9,418.00)	123,713.35
Vehicles	48,077.00	20,210.00		68,287.00
Total Capital Assets, being Depreciated	928,854.08	79,228.69	(9,418.00)	998,664.77
Total Capital Assets, Cost	987,234.08	79,228.69	(9,418.00)	1,057,044.77
Less Accumulated Depreciation for:				
Land Improvements	(21,189.83)	(1,293.26)		(22,483.09)
Buildings and Building Improvements	(175,708.80)	(16,299.55)		(192,008.35)
Machinery and Equipment	(59,324.57)	(13,053.82)	9,418.00	(62,960.39)
Vehicles	(15,290.24)	(6,793.80)		(22,084.04)
Total Accumulated Depreciation	(271,513.44)	(37,440.43)	9,418.00	(299,535.87)
Total Capital Assets, being Depreciated, Net	657,340.64	41,788.26	-	699,128.90
Governmental Activities Capital Assets, Net	<u>\$ 715,720.64</u>	<u>\$ 41,788.26</u>	<u>-</u>	<u>\$ 757,508.90</u>

**Note 4: CAPITAL ASSETS (CONT'D)**

Capital asset activity for business-type activities for the fiscal year ended June 30, 2015 is as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Business-Type Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 233,520.00			\$ 233,520.00
Total Capital Assets, not being Depreciated	<u>233,520.00</u>	<u>-</u>	<u>-</u>	<u>233,520.00</u>
Capital Assets, being Depreciated:				
Land Improvements	103,460.80			103,460.80
Buildings and Building Improvements	3,997,627.46	\$ 77,296.80	\$ (120,404.40)	3,954,519.86
Machinery and Equipment	144,059.96	3,479.32		147,539.28
Vehicles	512,450.00			512,450.00
Total Capital Assets, being Depreciated	<u>4,757,598.22</u>	<u>80,776.12</u>	<u>(120,404.40)</u>	<u>4,717,969.94</u>
Total Capital Assets, Cost	<u>4,991,118.22</u>	<u>80,776.12</u>	<u>(120,404.40)</u>	<u>4,951,489.94</u>
Less Accumulated Depreciation for:				
Land Improvements	(84,759.33)	(5,173.04)		(89,932.37)
Buildings and Building Improvements	(1,041,478.86)	(99,945.12)	50,574.48	(1,090,849.50)
Machinery and Equipment	(80,953.11)	(13,064.91)		(94,018.02)
Vehicles	(373,858.76)	(60,456.25)		(434,315.01)
Total Accumulated Depreciation	<u>(1,581,050.06)</u>	<u>(178,639.32)</u>	<u>50,574.48</u>	<u>(1,709,114.90)</u>
Total Capital Assets, being Depreciated, Net	<u>3,176,548.16</u>	<u>(97,863.20)</u>	<u>(69,829.92)</u>	<u>3,008,855.04</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,410,068.16</u>	<u>\$ (97,863.20)</u>	<u>\$ (69,829.92)</u>	<u>\$ 3,242,375.04</u>

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ 15,893.41
Other Administrative Services	9,668.11
Plant Operations and Maintenance	<u>11,878.91</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 37,440.43</u>

Depreciation expense for business-type actives for the fiscal year ended June 30, 2015 that was charged to the enterprise fund was \$178,639.62.

**Note 5: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Lease Purchase Agreement	\$ 318,138.95		\$ (29,755.36)	\$ 288,383.59	\$ 31,019.96
Compensated Absences	13,531.48	\$ 14,675.24	(21,653.66)	6,553.06	2,962.17
Governmental Activity Long-Term Liabilities	<u>\$ 331,670.43</u>	<u>\$ 14,675.24</u>	<u>\$ (51,409.02)</u>	<u>\$ 294,936.65</u>	<u>\$ 33,982.13</u>

**Note 5: LONG-TERM LIABILITIES (CONT'D)**

Compensated absences and the lease purchase agreement payable are liquidated by the general fund.

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for business-type activities, in which the enterprise fund is responsible for the liquidation:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due within</u> <u>One Year</u>
<b>Business-Type Activities:</b>					
Other Liabilities:					
Lease Purchase Agreement	\$ 1,272,555.80		\$ (119,021.43)	\$ 1,153,534.37	\$ 124,079.85
Net Pension Liability	2,214,489.00	\$ 249,465.00		2,463,954.00	
Compensated Absences	108,196.36	88,939.54	(74,491.42)	122,644.48	50,049.71
Business-Type Activity					
Long-Term Liabilities	<u>\$ 3,595,241.16</u>	<u>\$ 338,404.54</u>	<u>\$ (193,512.85)</u>	<u>\$ 3,740,132.85</u>	<u>\$ 174,129.56</u>

**Lease Purchase Agreement** - On July 26, 2006, the Commission entered into a lease purchase agreement with the Camden County Improvement Authority ("CCIA") to finance the addition and renovation to the Commission's administrative building. The lease purchase agreement was subsequently amended on January 9, 2008 to allow for the Commission to prepay all or a portion of the outstanding balance any time upon compliance with the condition contained therein. Under the lease purchase agreement, the CCIA sold revenue bonds, which are guaranteed by the County of Camden, State of New Jersey, to finance the project. Under this agreement, the Commission is required to repay principal on January 15, and interest on January 15 and July 15 until maturity to the CCIA. The revenue bonds mature on January 15, 2023 and bear an interest rate of 4.25%.

Principal and interest due on the lease purchase agreement is as follows:

Fiscal Year	Principal			Interest			Total	
	Governmental	Business-Type	Total	Governmental	Business-Type	Total	Governmental	Business-Type
Ending June 30,	Activities	Activities		Activities	Activities		Activities	Activities
2016	\$ 31,019.96	\$ 124,079.85	\$ 155,099.81	\$ 12,256.24	\$ 49,024.96	\$ 61,281.20	\$ 43,276.20	\$ 173,104.81
2017	32,338.31	129,353.24	161,691.55	10,937.89	43,751.57	54,689.46	43,276.20	173,104.81
2018	33,712.69	134,850.75	168,563.44	9,563.51	38,254.05	47,817.56	43,276.20	173,104.80
2019	35,145.48	140,581.90	175,727.38	8,130.72	32,522.90	40,653.62	43,276.20	173,104.80
2020	36,639.16	146,556.64	183,195.80	6,637.04	26,548.16	33,185.20	43,276.20	173,104.80
2021 - 2023	119,527.99	478,111.99	597,639.98	10,300.61	41,202.41	51,503.02	129,828.60	519,314.40
	<u>\$ 288,383.59</u>	<u>\$ 1,153,534.37</u>	<u>\$ 1,441,917.96</u>	<u>\$ 57,826.01</u>	<u>\$ 231,304.05</u>	<u>\$ 289,130.06</u>	<u>\$ 346,209.60</u>	<u>\$ 1,384,838.42</u>

**Debt Authorized but not Issued** - As of June 30, 2015, the Commission had no authorizations to issue additional debt.

**Net Pension Liability** - For details on the net pension liability, refer to note 6. The Commission's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the enterprise fund on an annual basis.

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid, which is the general fund and enterprise fund. Refer to note 11 for a description of the Commission's policy.

**Note 6: PENSION PLANS**

A substantial number of the Commission'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. In addition, several Commission employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. 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.state.nj.us/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.

**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 Commission, 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 otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for a certain enrollment tier 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 certain enrollment tiers, but who earn salary of at least \$5,000.00 annually.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****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 enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment on or after June 28, 2011

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, 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 8 to 10 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.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**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 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Commission and all other related non-contributing employers. No normal or accrued liability contribution by the Commission 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 Commission's contractually required contribution rate for the fiscal year ended June 30, 2015 was 5.00% of the Commission's covered-employee payroll, of which 0.00% of payroll was required from the Commission and 100.00% of payroll was required from the State of New Jersey. The Commission was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2015 because of the 100.00% special funding situation with the State of New Jersey.

**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 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. 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 Commission's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

**Note 6: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The Commission's contractually required contribution rate for the fiscal year ended June 30, 2015 was 12.19% of the Commission's covered-employee payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Commission were \$128,810.00 for the fiscal year ended June 30, 2015. Employee contributions were \$82,111.29 for the fiscal year ended June 30, 2015.

**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 Commission's contribution amounts for each pay period, 3% of the employees' base salary, are transmitted 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, 2015, employee contributions totaled \$11,609.18, and the Commission recognized pension expense of \$6,332.28. There were no forfeitures during the fiscal year.

**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, 2015, the Commission was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the Commission. The State's proportionate share of net pension liability, attributable to the Commission is as follows:

Commission's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Commission	<u>22,090,905.00</u>
	<u>\$ 22,090,905.00</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. 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, 2014. The Commission's proportion of the net pension liability was based on a projection of the Commission'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, 2015, the Commission's proportion was 0.00% due to the 100% special funding situation of the State of New Jersey. For the fiscal year ended June 30, 2015, the Commission recognized \$175,576.00 in revenue and expense, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions.

**Note 6: 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** - At June 30, 2015, the Commission reported a liability of \$2,463,954.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013.

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, 2014. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Commission's proportion was .0131602254%, which was an increase of .0015733154% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the Commission recognized \$193,632.00, in the government-wide financial statements, of pension expense for PERS.

At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	-	-
Changes of Assumptions	\$ 77,480.00	-
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	-	\$ 146,838.00
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	254,001.00	-
Commission Contributions Subsequent to the Measurement Date	<u>128,810.00</u>	<u>-</u>
	<u>\$ 460,291.00</u>	<u>\$ 146,838.00</u>

\$128,810.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2016.

**Note 6: 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)** - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	
<b><u>Ending June 30,</u></b>	<b><u>PERS</u></b>
2015	\$ 59,810.47
2016	59,810.47
2017	59,810.47
2018	59,810.47
2019	(37,916.11)
Thereafter	<u>(16,683.09)</u>
	<u><u>\$ 184,642.67</u></u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. 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, 2014.

This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.01%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000

## Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2009 - June 30, 2012

July 1, 2008 - June 30, 2011

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

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>TPAF</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	6.00%	0.50%	6.00%	0.80%
Core Fixed Income	-	2.19%	-	-
Core Bonds	1.00%	1.38%	1.00%	2.49%
Short-Term Bonds	-	1.00%	-	-
Intermediate-Term Bonds	11.20%	2.60%	11.20%	2.26%
Long-Term Bonds	-	3.23%	-	-
Mortgages	2.50%	2.84%	2.50%	2.17%
High Yield Bonds	5.50%	4.15%	5.50%	4.82%
Non-US Fixed Income	-	1.41%	-	-
Inflation-Indexed Bonds	2.50%	1.30%	2.50%	3.51%
Broad US Equities	25.90%	5.88%	25.90%	8.22%
Large Cap US Equities	-	5.62%	-	-
Mid Cap US Equities	-	6.39%	-	-
Small Cap US Equities	-	7.39%	-	-
Developed Foreign Equities	12.70%	6.05%	12.70%	8.12%
Emerging Market Equities	6.50%	8.90%	6.50%	9.91%
Private Equity	8.25%	9.15%	8.25%	13.02%
Hedge Funds / Absolute Return	12.25%	3.85%	12.25%	4.92%
Real Estate (Property)	3.20%	4.43%	3.20%	5.80%
Real Estate (REITS)	-	5.58%	-	-
Commodities	2.50%	3.60%	2.50%	5.35%
Long Credit Bonds	-	3.74%	-	-
	<u>100.00%</u>		<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.68% and 4.95% for TPAF as of June 30, 2014 and 2013, respectively, and 5.39% and 5.55% for PERS as of June 30, 2014 and 2013, respectively. For TPAF and PERS, these single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, 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.

**Note 6: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

**Discount Rate (Cont'd)** - 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 average of the last five years. 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 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of Commission's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As indicated above, TPAF has a special funding situation where the State pays 100% of the Commission's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the Commission is \$0 and the State's net pension liability attributable to the Commission, for the entire TPAF, employers and nonemployer, using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<u>TPAF</u>		
	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
Commission's Proportionate Share of the Net Pension Liability	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the Commission	<u>\$ 26,569,555.84</u>	<u>\$ 22,090,905.00</u>	<u>\$ 18,365,839.08</u>
	<u>\$ 26,569,555.84</u>	<u>\$ 22,090,905.00</u>	<u>\$ 18,365,839.08</u>

**Public Employees' Retirement System (PERS)** - The following presents the Commission's proportionate share of the net pension liability at June 30, 2014 calculated using a discount rate of 5.39% for PERS, as well as what the Commission'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:

	<u>PERS</u>		
	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
Commission's Proportionate Share of the Net Pension Liability	<u>\$ 3,099,738.19</u>	<u>\$ 2,463,954.00</u>	<u>\$ 1,930,057.32</u>

**Pension Plan Fiduciary Net Position**

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

**Note 7: STATE POST-RETIREMENT MEDICAL BENEFITS**

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, 2014, there were 103,432 retirees receiving postemployment medical benefits, and the State contributed \$1.04 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

**Note 8: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2015, the Commission 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 for normal costs and post-retirement medical costs were \$32,682.72 and \$51,883.84, respectively in the general fund and \$147,483.84 and \$272,390.16, respectively in the enterprise fund.

**Note 9: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The Commission maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

**Joint Insurance Pool** - The Commission is a member of the New Jersey School Boards Association Insurance Group ("NJSBAIG"). The NJSBAIG provides its members with the following coverage:

General Liability  
Boiler & Machinery  
Errors & Omissions  
Worker's Compensation  
Umbrella Liability  
Automobile Liability  
Public Official Bonds  
Property Damage  
Crime

Contributions to the NJSBAIG are determined by the NJSBAIG Board of Trustees, based on actuarial assumptions determined by an actuary. The Commission is jointly and personally liable for claims insured by the NJSBAIG and its members during the period of its membership, including liability for supplemental assessments, if necessary. The NJSBAIG's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

**Note 9: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Pool (Cont'd)** - The NJSBAIG provides the Commission with the coverage as identified in the statistic section of this Comprehensive Annual Financial Report, specifically exhibit J-20.

The NJSBAIG publishes its own financial report for the fiscal year ended June 30, 2015, which can be obtained at [www.njsbaig.org](http://www.njsbaig.org).

**Note 10: DEFERRED COMPENSATION**

The Commission offers its employees a choice of three deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entity 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 administrator is The Omni Financial Group.

**Note 11: COMPENSATED ABSENCES**

The Commission 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.

Commission employees are granted varying amounts of vacation and sick leave in accordance with the Commission's personnel policy. The Commission's policy permits employees to accumulate unused sick and vacation leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the Commission for the unused sick and vacation leave in accordance with the Commission'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, 2015, the liability for compensated absences in the governmental activities and business-type activities was \$6,553.06 and \$122,644.48, respectively.

**Note 12: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2015 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 636,954.77	\$ 1,226.26
Special Revenue		28,591.24
Enterprise Fund		608,363.53
Fiduciary	1,236.75	10.49
	<u>\$ 638,191.52</u>	<u>\$ 638,191.52</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2016, the Commission expects to liquidate such interfunds, depending upon the availability of cash flow.

During the fiscal year ended June 30, 2015, no transfers between or among funds occurred.

**Note 13: 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 Commission expects such amount, if any, to be immaterial.

**Note 14: CONCENTRATIONS**

The Commission 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 Commission is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 15: FUND BALANCES****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 Commission's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2015, the unassigned fund balance of the general fund was \$6,073,573.05.

**Note 16: RESTATEMENT OF PRIOR PERIOD NET POSITION**

As indicated in note 1 to the financial statements, the Commission adopted GASB Statement 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*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities and on the enterprise fund statement of net position was required to record the Commission's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	Business-Type <u>Activities</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ 2,437,148.17
Prior Period Adjustment - Implementation of GASBS No. 68:	
Net Pension Liability (Measurement Date)	\$ (2,214,489.00)
Deferred Outflows - Commission's contributions made subsequent to measurement date	108,491.00
Accounts Payable - Commission's contributions recorded by pension plan as accounts receivable at June 30, 2014	<u>(108,491.00)</u>
Total Prior Period Adjustment	<u>(2,214,489.00)</u>
Net Position as Restated, July 1, 2014	<u>\$ 222,659.17</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULE**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Tuition from Other LEAs within the State	\$ 795,150.00		\$ 795,150.00	\$ 702,781.22	\$ (92,368.78)
Transportation Fees from Other LEAs	23,021,675.00	\$ 3,868,378.00	26,890,053.00	27,307,026.06	416,973.06
Unrestricted Miscellaneous Revenues	15,000.00	5,451.00	20,451.00	17,870.75	(2,580.25)
<b>Total - Local Sources</b>	<u>23,831,825.00</u>	<u>3,873,829.00</u>	<u>27,705,654.00</u>	<u>28,027,678.03</u>	<u>322,024.03</u>
State Sources:					
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				32,682.72	32,682.72
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				51,883.84	51,883.84
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				42,349.57	42,349.57
<b>Total - State Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,916.13</u>	<u>126,916.13</u>
<b>Total Revenues</b>	<u>23,831,825.00</u>	<u>3,873,829.00</u>	<u>27,705,654.00</u>	<u>28,154,594.16</u>	<u>448,940.16</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	504,000.00		504,000.00	489,580.68	14,419.32
Regular Programs - Undistributed Instruction:					
General Supplies	1,000.00		1,000.00		1,000.00
<b>Total Regular Programs - Instruction</b>	<u>505,000.00</u>	<u>-</u>	<u>505,000.00</u>	<u>489,580.68</u>	<u>15,419.32</u>
<b>Total Instruction</b>	<u>505,000.00</u>	<u>-</u>	<u>505,000.00</u>	<u>489,580.68</u>	<u>15,419.32</u>

(Continued)

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	\$ 90,000.00	\$ 1.00	\$ 90,001.00	\$ 90,000.04	\$ 0.96
Other Purchased Services (400-500 Series)	1,000.00		1,000.00		1,000.00
Other Objects		820.00	820.00	820.00	
<b>Total Undistributed Expenditures - Improvement of Instruction Services</b>	<b>91,000.00</b>	<b>821.00</b>	<b>91,821.00</b>	<b>90,820.04</b>	<b>1,000.96</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	1,500.00		1,500.00		1,500.00
Other Objects	1,000.00	(820.00)	180.00		180.00
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>2,500.00</b>	<b>(820.00)</b>	<b>1,680.00</b>	<b>-</b>	<b>1,680.00</b>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	4,285.00		4,285.00	4,200.00	85.00
Legal Services	5,000.00		5,000.00		5,000.00
Communications / Telephone	10,000.00	(2,000.00)	8,000.00	7,360.08	639.92
BOE Other Purchased Services	2,000.00		2,000.00		2,000.00
Miscellaneous Purchased Services (400-500)	300.00	5,500.00	5,800.00	5,172.23	627.77
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>21,585.00</b>	<b>3,500.00</b>	<b>25,085.00</b>	<b>16,732.31</b>	<b>8,352.69</b>
Undistributed Expenditures - Central Services:					
Salaries	12,240.00	3,160.00	15,400.00	14,441.77	958.23
Miscellaneous Purchased Services (400-500 Series)	500.00		500.00	20.00	480.00
Interest on Lease Purchase Agreements		43,276.00	43,276.00	43,276.00	
<b>Total Undistributed Expenditures - Central Services</b>	<b>12,740.00</b>	<b>46,436.00</b>	<b>59,176.00</b>	<b>57,737.77</b>	<b>1,438.23</b>

(Continued)

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original <u>Budget</u>	Budget Modifications / <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Security:					
Cleaning, Repair, and Maintenance Services	-	\$ 5,451.00	\$ 5,451.00	\$ 35.43	\$ 5,415.57
Total Undistributed Expenditures - Security	-	5,451.00	5,451.00	35.43	5,415.57
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	-	5,451.00	5,451.00	35.43	5,415.57
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 57,300.00	6,090.00	63,390.00	63,389.86	0.14
Salaries for Pupil Transportation (Between Home and School) - Special Education	259,230.00	(10,338.00)	248,892.00	248,890.87	1.13
Other Purchased Professional and Technical Services	99,500.00	9,651.60	109,151.60	109,151.20	0.40
Contracted Services - (Between Home and School) - Vendors	14,969,540.00	2,706,599.32	17,676,139.32	17,408,871.71	267,267.61
Contracted Services - (Other than Between Home and School) - Vendors	545,000.00	(96,144.08)	448,855.92	448,854.00	1.92
Contracted Services (Special Education Students) - Vendors	5,000,000.00	1,295,464.00	6,295,464.00	6,295,463.36	0.64
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	1,800,000.00	55,400.00	1,855,400.00	1,855,398.92	1.08
Cleaning, Repair, and Maintenance Services	-	1,254.00	1,254.00	789.25	464.75
Miscellaneous Purchased Services - Transportation	6,000.00	5,061.00	11,061.00	10,343.58	717.42
General Supplies	6,000.00	1,989.00	7,989.00	7,988.09	0.91
Transportation Supplies	5,000.00	96.00	5,096.00	5,095.13	0.87
Other Objects	-	430.00	430.00	430.00	-
Total Undistributed Expenditures - Student Transportation Services	22,747,570.00	3,975,552.84	26,723,122.84	26,454,665.97	268,456.87
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	26,550.00	(468.00)	26,082.00	24,569.46	1,512.54
Other Retirement Contributions - PERS	34,856.00	(7,256.00)	27,600.00	24,581.09	3,018.91
Unemployment Compensation	3,400.00	355.00	3,755.00	3,735.11	19.89
Workmen's Compensation	10,447.00	1,008.00	11,455.00	11,314.84	140.16
Health Benefits	336,477.00	(99,786.00)	236,691.00	210,058.77	26,632.23
Other Employee Benefits	-	30.00	30.00	30.00	-
Total Unallocated Benefits - Employee Benefits	411,730.00	(106,117.00)	305,613.00	274,289.27	31,323.73

(Continued)

## CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original <u>Budget</u>	Budget Modifications / <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
On-behalf Contributions:					
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				\$ 32,682.72	\$ (32,682.72)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				51,883.84	(51,883.84)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				42,349.57	(42,349.57)
Total On-behalf Contributions	-	-	-	126,916.13	(126,916.13)
Total Personal Services - Employee Benefits	\$ 411,730.00	\$ (106,117.00)	\$ 305,613.00	401,205.40	(95,592.40)
Total Undistributed Expenditures	23,287,125.00	3,924,823.84	27,211,948.84	27,021,196.92	190,751.92
Total General Current Expense	23,792,125.00	3,924,823.84	27,716,948.84	27,510,777.60	206,171.24
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - General Admin.	5,000.00		5,000.00		5,000.00
Undistributed Expenditures - Admin. Information Technology	5,000.00		5,000.00		5,000.00
Undistributed Expenditures - Student Transportation		19,284.16	19,284.16	19,282.56	1.60
School Buses - Regular	30,000.00		30,000.00	22,172.00	7,828.00
Total Equipment	40,000.00	19,284.16	59,284.16	41,454.56	17,829.60
Facilities Acquisition and Construction Services:					
Construction Services		19,325.00	19,325.00	19,324.20	0.80
Total Facilities Acquisition and Construction Services	-	19,325.00	19,325.00	19,324.20	0.80
Total Capital Outlay	40,000.00	38,609.16	78,609.16	60,778.76	17,830.40
Total Expenditures	23,832,125.00	3,963,433.00	27,795,558.00	27,571,556.36	224,001.64

(Continued)

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (300.00)	\$ (89,604.00)	\$ (89,904.00)	\$ 583,037.80	\$ 672,941.80
Fund Balances, July 1	-	-	-	<u>5,490,535.25</u>	<u>5,490,535.25</u>
Fund Balances, June 30	<u>\$ (300.00)</u>	<u>\$ (89,604.00)</u>	<u>\$ (89,904.00)</u>	<u>\$ 6,073,573.05</u>	<u>\$ 6,163,477.05</u>
Recapitulation:					
Unassigned				<u>\$ 6,073,573.05</u>	
				<u>\$ 6,073,573.05</u>	

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Required Supplementary Information  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers / Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources:					
Title I, Part D	\$ 242,713.00		\$ 242,713.00	\$ 214,875.24	\$ (27,837.76)
Total - Federal Sources	242,713.00	-	242,713.00	214,875.24	(27,837.76)
Total Revenues	242,713.00	-	242,713.00	214,875.24	(27,837.76)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	121,172.00		121,172.00	111,830.00	9,342.00
Purchased Professional and Technical Services	8,115.00		8,115.00	7,065.00	1,050.00
General Supplies	1,000.00		1,000.00	598.00	402.00
Total Instruction	130,287.00	-	130,287.00	119,493.00	10,794.00
Support Services:					
Salaries	20,300.00	\$ 450.00	20,750.00	20,745.78	4.22
Personnel Services - Employee Benefits	64,395.00	(450.00)	63,945.00	49,697.17	14,247.83
Purchased Professional and Technical Services	2,000.00		2,000.00		2,000.00
Other Purchased Services (400-500 series)	4,823.00		4,823.00	4,527.34	295.66
Total Support Services	91,518.00	-	91,518.00	74,970.29	16,547.71
Facilities Acquisition and Construction Services:					
Instructional Equipment	20,908.00		20,908.00	20,411.95	496.05
Total Facilities Acquisition and Construction Services	20,908.00	-	20,908.00	20,411.95	496.05
Total Expenditures	242,713.00	-	242,713.00	214,875.24	27,837.76
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Required Supplementary Information - Part II  
 Budgetary Comparison Schedule  
 Notes to Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2015

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	<u>\$ 28,154,594.16</u>	<u>\$ 214,875.24</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 28,154,594.16</u></u>	<u><u>\$ 214,875.24</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	<u>\$ 27,571,556.36</u>	<u>\$ 214,875.24</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 27,571,556.36</u></u>	<u><u>\$ 214,875.24</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**ACCOUNTING AND REPORTING FOR PENSIONS  
(GASBS NO. 68) SCHEDULES**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information - Part III  
 Schedule of the Commission's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Two Fiscal Years

---

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Commission's Proportion of the Net Pension Liability	0.0131602254%	0.0115869100%
Commission's Proportionate Share of the Net Pension Liability	\$ 2,463,954.00	\$ 2,214,489.00
Commission's Covered-Employee Payroll	\$ 890,883.00	\$ 890,582.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	276.57%	248.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

---

*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.*

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information - Part III  
 Schedule of the Commission's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Two Fiscal Years

---

	<u>Fiscal Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 128,810.00	\$ 108,491.00
Contributions in relation to the Contractually Required Contribution	<u>(128,810.00)</u>	<u>(108,491.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>
Commission's Covered-Employee Payroll	\$ 1,056,840.00	\$ 890,883.00
Contributions as a Percentage of Commission's Covered-Employee Payroll	12.19%	12.18%

---

*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.*

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Required Supplementary Information - Part III  
 Schedule of the Commission's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Two Fiscal Years

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Commission's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Commission	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
Commission's Proportionate Share of the Net Pension Liability	-	-
State's Proportionate Share of the Net Pension Liability associated with the Commission	<u>\$ 22,090,905.00</u>	<u>\$ 21,355,215.00</u>
	<u>\$ 22,090,905.00</u>	<u>\$ 21,355,215.00</u>
Commission's Covered-Employee Payroll	\$ 3,330,672.00	\$ 3,609,448.00
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	663.26%	591.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

*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.*

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Required Supplementary Information - Part III  
Schedule of Commission's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

---

This schedule is not applicable. The Commission 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.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Required Supplementary Information - Part III  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2015

---

Public Employees' Retirement System (PERS)

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014, in accordance with paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014, in accordance with paragraph 44 of GASB Statement No. 67.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2015

	<u>No Child Left Behind (N.C.L.B.)</u>	
	Title I, Part D, Prevention and Intervention Programs for Children	<u>Total</u>
<b>REVENUES:</b>		
Federal Sources	\$ 214,875.24	\$ 214,875.24
Total Revenues	<u>214,875.24</u>	<u>214,875.24</u>
<b>EXPENDITURES:</b>		
Instruction:		
Salaries	111,830.00	111,830.00
Purchased Professional and Technical Services	7,065.00	7,065.00
General Supplies	598.00	598.00
Total Instruction	<u>119,493.00</u>	<u>119,493.00</u>
Support Services:		
Salaries	20,745.78	20,745.78
Personnel Services - Employee Benefits	49,697.17	49,697.17
Other Purchased Services (400-500 series)	4,527.34	4,527.34
Total Support Services	<u>74,970.29</u>	<u>74,970.29</u>
Facilities Acquisition and Construction Services:		
Instructional Equipment	20,411.95	20,411.95
Total Facilities Acquisition and Construction Services	<u>20,411.95</u>	<u>20,411.95</u>
Total Expenditures	<u>214,875.24</u>	<u>214,875.24</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>

**PROPRIETARY FUND**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2015

---

ASSETS:

Current Assets:

Intergovernmental Accounts Receivable:

State		\$ 11,198.57
Other		<u>1,391,229.24</u>

Total Current Assets	<u>1,402,427.81</u>
----------------------	---------------------

Noncurrent Assets:

Capital Assets	4,951,489.94
Less: Accumulated Depreciation	<u>(1,709,114.90)</u>

Total Capital Assets (Net of Accumulated Depreciation)	<u>3,242,375.04</u>
--	---------------------

Total Noncurrent Assets	<u>3,242,375.04</u>
-------------------------	---------------------

Total Assets	<u>4,644,802.85</u>
--------------	---------------------

DEFERRED OUTFLOWS OF RESOURCES:

Related to Pensions	<u>460,291.00</u>
---------------------	-------------------

LIABILITIES:

Current Liabilities:

Interfund Accounts Payable:

General Fund	608,363.53
--------------	------------

Intergovernmental Accounts Payable:

Other	2,556.00
-------	----------

Accounts Payable	150,709.38
------------------	------------

Accrued Wages	86,296.75
---------------	-----------

Accrued Interest Payable	22,469.78
--------------------------	-----------

Compensated Absences Payable	50,049.71
------------------------------	-----------

Lease Purchase Agreement Payable	<u>124,079.85</u>
----------------------------------	-------------------

Total Current Liabilities	<u>1,044,525.00</u>
---------------------------	---------------------

Noncurrent Liabilities:

Compensated Absences Payable	72,594.77
------------------------------	-----------

Lease Purchase Agreement Payable	1,029,454.52
----------------------------------	--------------

Net Pension Liability	<u>2,463,954.00</u>
-----------------------	---------------------

Total Noncurrent Liabilities	<u>3,566,003.29</u>
------------------------------	---------------------

Total Liabilities	<u>4,610,528.29</u>
-------------------	---------------------

(Continued)

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Proprietary Fund  
Business-Type Activities - Enterprise Fund  
Statement of Net Position  
June 30, 2015

---

DEFERRED INFLOWS OF RESOURCES:

Related to Pensions	<u>\$ 146,838.00</u>
---------------------	----------------------

NET POSITION:

Net Investment in Capital Assets	2,088,840.67
Unrestricted	<u>(1,741,113.11)</u>
Total Net Position	<u><u>\$ 347,727.56</u></u>

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Proprietary Fund  
 Business-Type Activities - Enterprise Fund  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2015

---

OPERATING REVENUES:

Charges for Services:	
Nonpublic Auxiliary and Handicapped Services	\$ 5,029,538.69
Educational Services	1,391,738.80
Child Study Team Evaluations	384,591.96
Related Services	359,434.61
Home Instruction Services	98,632.50
Nursing Services	22,759.40
Cooperative Purchasing Services	1,541.00
General:	
Miscellaneous	6,697.34
	<hr/>
Total Operating Revenues	7,294,934.30

OPERATING EXPENSES:

Personnel Services - Salaries	4,389,209.34
Personnel Services - Employee Benefits	1,683,700.10
Purchased Professional and Technical Services	1,043,724.02
Purchased Property Services	9,312.95
Other Purchased Services	214,062.24
Supplies and Materials	167,459.78
Depreciation	178,639.32
Miscellaneous Expenditures	8,988.66
Other Objects	656.00
	<hr/>
Total Operating Expenses	7,695,752.41
	<hr/>
Operating Income (Loss)	(400,818.11)

NONOPERATING REVENUES (EXPENSES):

State Sources:	
On-Behalf T.P.A.F. Pension Contributions - Normal Cost	147,483.84
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	272,390.16
Reimbursed T.P.A.F. Social Security Contributions	227,607.35
Interest Expense	(51,764.93)
Loss on Disposal of Capital Assets	(69,829.92)
	<hr/>
Total Nonoperating Revenues (Expenses)	525,886.50
	<hr/>
Change in Net Position	125,068.39
	<hr/>
Net Position, July 1 (Restated)	222,659.17
	<hr/>
Net Position, June 30	\$ 347,727.56

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Proprietary Fund

Business-Type Activities - Enterprise Fund

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 6,913,786.85
Payments to Suppliers	(1,430,439.15)
Payments to Employees	(4,289,491.21)
Payments for Employee Benefits	<u>(1,617,851.36)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(423,994.87)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State Sources	636,282.78
Transfer from / (to) General Fund	<u>41,592.00</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>677,874.78</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from Sales of Capital Assets	1.00
Purchases of Capital Assets	(80,776.12)
Principal Paid on Lease Purchase Debt	(119,021.43)
Interest Paid on Debt	<u>(54,083.36)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(253,879.91)</u>

Net Increase (Decrease) in Cash and Cash Equivalents -

Cash and Cash Equivalents, July 1 -

Cash and Cash Equivalents, June 30 -

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (400,818.11)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	178,639.32
(Increase) Decrease in Intergovernmental Accounts Receivable	(383,703.45)
Increase (Decrease) in Intergovernmental Accounts Payable	2,556.00
Increase (Decrease) in Accounts Payable	13,764.50
Increase (Decrease) in Accrued Wages	86,296.75
Increase (Decrease) in Compensated Absences Payable	14,448.12
Increase (Decrease) in Net Pension Liability	<u>64,822.00</u>

Net Cash Provided by (Used for) Operating Activities \$ (423,994.87)

**FIDUCIARY FUNDS**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2015

	Private-Purpose Trust Funds	Agency Funds	Total
	Flexible Benefits Trust	Payroll	
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 6,282.38	\$ 14,896.26	\$ 21,178.64
Interfund Accounts Receivable:			
General Fund	<u>1,236.75</u>		<u>1,236.75</u>
Total Assets	<u>7,519.13</u>	<u>\$ 14,896.26</u>	<u>22,415.39</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable:			
General Fund		\$ 10.49	10.49
Payroll Deductions and Withholdings		<u>14,885.77</u>	<u>14,885.77</u>
Total Liabilities	<u>-</u>	<u>\$ 14,896.26</u>	<u>14,896.26</u>
<b>NET POSITION:</b>			
Held in Trust for Other Purposes	<u>7,519.13</u>		<u>7,519.13</u>
Total Net Position	<u>\$ 7,519.13</u>		<u>\$ 7,519.13</u>

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds
	Flexible Benefits Trust
ADDITIONS:	
Contributions:	
Other	\$ 24,979.84
Total Contributions	24,979.84
Investment Earnings:	
Interest and Dividends	7.96
Net Investment Earnings	7.96
Total Additions	24,987.80
DEDUCTIONS:	
Claims	27,850.84
Total Deductions	27,850.84
Change in Net Position	(2,863.04)
Net Position, July 1	10,382.17
Net Position, June 30	\$ 7,519.13

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Fiduciary Funds  
 Payroll and Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 45,101.48	\$ 5,839,834.71	\$ 5,870,039.93	\$ 14,896.26
Interfund Accounts Receivable:				
General Fund	<u>3,252.24</u>		<u>3,252.24</u>	
Total Assets	<u>\$ 48,353.72</u>	<u>\$ 5,839,834.71</u>	<u>\$ 5,873,292.17</u>	<u>\$ 14,896.26</u>
<b>LIABILITIES:</b>				
Intrafund Accounts Payable:				
Unemployment Compensation Trust	\$ 48,246.94		\$ 48,246.94	
Interfund Accounts Payable:				
General Fund		\$ 7,802.18	7,791.69	\$ 10.49
Accrued Salaries and Wages		3,283,339.96	3,283,339.96	
Payroll Deductions and Withholdings	<u>106.78</u>	<u>2,548,692.57</u>	<u>2,533,913.58</u>	<u>14,885.77</u>
Total Liabilities	<u>\$ 48,353.72</u>	<u>\$ 5,839,834.71</u>	<u>\$ 5,873,292.17</u>	<u>\$ 14,896.26</u>

**LONG-TERM DEBT**

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Schedule of Lease Purchase Agreement Payable

For the Fiscal Year Ended June 30, 2015

<u>Description</u>	<u>Date of Lease</u>	<u>Term of Lease (in Years)</u>	<u>Amount of Original Issue Principal</u>	<u>Interest Payable</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amount Outstanding June 30, 2015</u>
Additions and renovations to administration building	7/26/06, 01/09/08	17	\$ 3,745,000.00	\$ 952,975.50	4.25%	\$ 1,590,694.75	\$ -	\$ 148,776.79	\$ 1,441,917.96
Governmental Activities Business-Type Activities						\$ 1,590,694.75		\$ 148,776.79	\$ 1,441,917.96
						\$ 288,383.59			\$ 288,383.59
						1,153,534.37			1,153,534.37
						\$ 1,441,917.96			\$ 1,441,917.96

**STATISTICAL SECTION**

## **Financial Trends Information**

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

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2015*	2014*	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 469,125.31	\$ 397,581.69	\$ 389,722.38	\$ 2,603,278.00	\$ 2,785,438.00	\$ 2,703,789.00	\$ 2,090,627.00	\$ 1,622,010.00	\$ 422,362.00	\$ 474,544.00
Restricted					500,215.00	253,553.00				133,475.00
Unrestricted	6,061,402.55	3,256,317.72	4,459,505.46	3,525,498.00	3,135,599.00	3,570,751.00	3,930,852.00	4,341,591.00	3,904,675.00	3,220,342.00
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,530,527.86</b>	<b>\$ 3,653,899.41</b>	<b>\$ 4,849,227.84</b>	<b>\$ 6,128,776.00</b>	<b>\$ 6,421,252.00</b>	<b>\$ 6,528,093.00</b>	<b>\$ 6,021,479.00</b>	<b>\$ 5,963,601.00</b>	<b>\$ 4,327,037.00</b>	<b>\$ 3,828,361.00</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 2,088,840.67	\$ 2,137,512.36	\$ 2,178,741.70		\$	221.00				
Unrestricted	(1,741,113.11)	299,635.81	30,820.88							
<b>Total Business-Type Activities Net Position</b>	<b>\$ 347,727.56</b>	<b>\$ 2,437,148.17</b>	<b>\$ 2,209,562.58</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 221.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 2,557,965.98	\$ 2,535,094.05	\$ 2,568,464.08	\$ 2,603,278.00	\$ 2,785,438.00	\$ 2,703,789.00	\$ 2,090,627.00	\$ 1,622,010.00	\$ 422,362.00	\$ 474,544.00
Restricted					500,215.00	253,553.00				133,475.00
Unrestricted	4,320,289.44	3,555,953.53	4,490,326.34	3,525,498.00	3,135,599.00	3,570,972.00	3,930,852.00	4,341,591.00	3,904,675.00	3,220,342.00
<b>Total Government-Wide Net Position</b>	<b>\$ 6,878,255.42</b>	<b>\$ 6,091,047.58</b>	<b>\$ 7,058,790.42</b>	<b>\$ 6,128,776.00</b>	<b>\$ 6,421,252.00</b>	<b>\$ 6,528,314.00</b>	<b>\$ 6,021,479.00</b>	<b>\$ 5,963,601.00</b>	<b>\$ 4,327,037.00</b>	<b>\$ 3,828,361.00</b>

\* Amounts for the years 2015 and 2014 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: *Comprehensive Annual Financial Report Exhibit A-1.*

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

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

	Fiscal Year Ended June 30,									
	2015 *	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 624,284.15	\$ 565,086.54	\$ 576,488.31	\$ 634,222.00	\$ 691,160.00	\$ 573,908.00	\$ 494,191.00	\$ 541,291.00	\$ 540,118.00	\$ 580,319.00
Special Education		483,290.52	540,410.57	2,924,007.00	3,181,824.00	3,935,100.00	3,625,756.00	3,867,869.00	3,599,588.00	3,744,447.00
Other Special Instruction		143,308.31	246,477.05	215,476.00	166,280.00	168,993.00	117,841.00	75,793.00		
Other Instruction										
Support Services:										
Student and Instruction Related Services		874,964.62	855,566.01	2,320,104.00	2,042,536.00	2,629,061.00	2,237,534.00	1,426,280.00	2,011,971.00	2,128,570.00
Other Administrative Services		25,795.72	119,785.26	120,133.41						
School Administrative Services		14,461.57	117,543.15	625,758.00	497,354.00	162,420.00	154,695.00	239,261.00	92,836.00	102,605.00
General and Business Administrative Services		11,914.34	31,303.41	13,523.00	6,298.00	63,439.00	39,214.00	21,307.00	17,910.00	12,209.00
Plant Operations and Maintenance		26,455,193.96	23,342,917.74	12,095,310.00	12,865,072.00	13,457,885.00	14,082,532.00	14,010,887.00	13,348,762.00	12,905,182.00
Pupil Transportation						1,492,740.00	1,387,390.00			
Business and Other Support Services						610,389.00	581,923.00	1,962,865.00	1,754,883.00	1,311,967.00
Personal Services - Employee Benefits		396,614.84	1,297,696.73	1,751,525.00	1,647,895.00					
Loss on Disposal of Capital Assets		1,903.81	493.69			123,722.00	130,100.00		188,546.00	
Interest on Long-term Debt		12,941.23	14,177.91	79,836.00	3,610.00	28,537.00	62,169.00	120,982.00	43,970.00	24,196.00
Unallocated Depreciation and Amortization										
<b>Total Governmental Activities Expenses</b>	<b>27,702,739.39</b>	<b>26,991,978.00</b>	<b>16,992,246.69</b>	<b>20,659,761.00</b>	<b>21,105,029.00</b>	<b>23,246,174.00</b>	<b>22,913,345.00</b>	<b>22,266,635.00</b>	<b>21,598,584.00</b>	<b>20,809,495.00</b>
Business-Type Activities:										
Enterprise Fund	7,817,347.26	4,454,720.10	4,248,762.19			3,954.00	3,357.00			
<b>Total Business-Type Activities Expense</b>	<b>7,817,347.26</b>	<b>4,454,720.10</b>	<b>4,248,762.19</b>	<b>-</b>	<b>-</b>	<b>3,954.00</b>	<b>3,357.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Government-Wide Expenses</b>	<b>\$ 35,520,086.65</b>	<b>\$ 31,446,698.10</b>	<b>\$ 21,241,008.88</b>	<b>\$ 20,659,761.00</b>	<b>\$ 21,105,029.00</b>	<b>\$ 23,250,128.00</b>	<b>\$ 22,916,702.00</b>	<b>\$ 22,266,635.00</b>	<b>\$ 21,598,584.00</b>	<b>\$ 20,809,495.00</b>
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 28,009,807.28	\$ 27,093,827.47	\$ 16,589,062.73	\$ 14,391,114.00	\$ 14,448,155.00	\$ 15,247,367.00	\$ 14,447,642.00	\$ 14,295,150.00	\$ 13,523,176.00	\$ 13,191,015.00
Operating Grants and Contributions	316,786.86	891,337.23	997,132.37	5,953,818.00	6,356,322.00	7,863,357.00	7,402,363.00	7,632,583.00	7,320,196.00	7,527,226.00
Capital Grants and Contributions	20,411.95	6,510.00	8,089.00			421,121.00	154,107.00	973,089.00		
<b>Total Governmental Activities Program Revenues</b>	<b>28,347,006.09</b>	<b>27,991,674.70</b>	<b>17,594,284.10</b>	<b>20,344,932.00</b>	<b>20,804,477.00</b>	<b>23,551,845.00</b>	<b>22,004,112.00</b>	<b>22,900,822.00</b>	<b>20,843,374.00</b>	<b>20,718,241.00</b>
Business-Type Activities:										
Charges for services	7,288,236.96	4,682,305.69	4,238,192.05			2,133.00	1,363.00			
Operating Grants and Contributions	647,481.35					2,042.00	1,994.00			
<b>Total Business-Type Activities Program Revenues</b>	<b>7,935,718.31</b>	<b>4,682,305.69</b>	<b>4,238,192.05</b>	<b>-</b>	<b>-</b>	<b>4,175.00</b>	<b>3,357.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Government-Wide Program Revenues</b>	<b>\$ 36,282,726.40</b>	<b>\$ 32,673,980.39</b>	<b>\$ 21,832,476.15</b>	<b>\$ 20,344,932.00</b>	<b>\$ 20,804,477.00</b>	<b>\$ 23,556,020.00</b>	<b>\$ 22,007,469.00</b>	<b>\$ 22,900,822.00</b>	<b>\$ 20,843,374.00</b>	<b>\$ 20,718,241.00</b>
<b>Net (Expense) / Revenue:</b>										
Governmental Activities	\$ 644,268.70	\$ 999,696.70	\$ 602,037.41	\$ (314,829.00)	\$ (300,552.00)	\$ 305,671.00	\$ (909,233.00)	\$ 634,187.00	\$ (755,210.00)	\$ (91,254.00)
Business-Type Activities	118,371.05	227,585.59	(10,570.14)			221.00				
<b>Total Government-Wide Net Expense</b>	<b>\$ 762,639.75</b>	<b>\$ 1,227,282.29</b>	<b>\$ 591,467.27</b>	<b>\$ (314,829.00)</b>	<b>\$ (300,552.00)</b>	<b>\$ 305,892.00</b>	<b>\$ (909,233.00)</b>	<b>\$ 634,187.00</b>	<b>\$ (755,210.00)</b>	<b>\$ (91,254.00)</b>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Interest and Investment Earnings - Unrestricted	\$ 5,290.48	\$ 15,201.56	\$ 20,248.38	\$ 34,224.00	\$ 34,780.00	\$ 18,128.00	\$ 35,585.00	\$ 140,905.00	\$ 233,542.00	\$ 101,463.00
State Aid Restricted for Capital Projects		4,262.31	260,799.51	79,555.00	201,550.00	226,775.00	949,760.00	879,908.00	703,419.00	366,264.00
Miscellaneous	12,580.27			(91,426.00)	(42,860.00)	(43,960.00)	(18,214.00)	(18,436.00)	(48,423.00)	(39,917.00)
Special Items:										
Gain (Loss) on Disposal of Capital Assets			(2,162,632.78)							
Transfers				22,353.00	193,470.00	200,943.00	967,131.00	1,002,377.00	1,253,976.00	427,810.00
<b>Total Governmental Activities</b>	<b>17,870.75</b>	<b>19,463.87</b>	<b>(1,881,564.89)</b>	<b>22,353.00</b>	<b>193,470.00</b>	<b>200,943.00</b>	<b>967,131.00</b>	<b>1,002,377.00</b>	<b>1,253,976.00</b>	<b>427,810.00</b>

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2015 *	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position (Cont'd):										
Business-Type Activities:										
Miscellaneous	\$ 6,697.34		\$ 9,253.00							
Transfers			2,210,879.72							
Total Business-Type Activities	6,697.34	-	2,220,132.72	-	-	-	-	-	-	-
Total Government-Wide	<u>\$ 24,568.09</u>	<u>\$ 19,463.87</u>	<u>\$ 338,547.83</u>	<u>\$ 22,353.00</u>	<u>\$ 193,470.00</u>	<u>\$ 200,943.00</u>	<u>\$ 967,131.00</u>	<u>\$ 1,002,377.00</u>	<u>\$ 1,253,976.00</u>	<u>\$ 427,810.00</u>
Change in Net Position:										
Governmental Activities	\$ 662,139.45	\$ 1,019,160.57	\$ (1,279,547.48)	\$ (292,476.00)	\$ (107,082.00)	\$ 506,614.00	\$ 57,898.00	\$ 1,636,564.00	\$ 498,766.00	\$ 336,556.00
Business-Type Activities	125,068.39	227,585.59	2,209,562.58			221.00				
Total Government-Wide	<u>\$ 787,207.84</u>	<u>\$ 1,246,746.16</u>	<u>\$ 930,015.10</u>	<u>\$ (292,476.00)</u>	<u>\$ (107,082.00)</u>	<u>\$ 506,835.00</u>	<u>\$ 57,898.00</u>	<u>\$ 1,636,564.00</u>	<u>\$ 498,766.00</u>	<u>\$ 336,556.00</u>

\* Amounts for the year 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: Comprehensive Annual Financial Report Exhibit A-2.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:										
Assigned					\$ 500,215.00	\$ 253,553.00		\$ 29,377.00		
Unassigned	<u>\$ 6,073,573.05</u>	<u>\$ 5,490,535.25</u>	<u>\$ 4,476,440.33</u>	<u>\$ 3,665,190.55</u>	<u>3,305,665.00</u>	<u>3,731,043.00</u>	<u>\$ 4,064,381.00</u>	<u>3,780,786.00</u>	<u>\$ 3,400,199.00</u>	<u>\$ 3,300,423.00</u>
Total General Fund	<u>\$ 6,073,573.05</u>	<u>\$ 5,490,535.25</u>	<u>\$ 4,476,440.33</u>	<u>\$ 3,665,190.55</u>	<u>\$ 3,805,880.00</u>	<u>\$ 3,984,596.00</u>	<u>\$ 4,064,381.00</u>	<u>\$ 3,810,163.00</u>	<u>\$ 3,400,199.00</u>	<u>\$ 3,300,423.00</u>
All Other Governmental Funds:										
Nonspendable										
Restricted								\$ 660,977.00		\$ 133,475.00
Unassigned									\$ 610,969.00	
Total All Other Governmental Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 660,977.00</u>	<u>\$ 610,969.00</u>	<u>\$ 133,475.00</u>

Source: Comprehensive Annual Financial Report Exhibit B-1.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tuition Charges	\$ 702,781.22	\$ 617,247.45	\$ 577,172.05	\$ 622,078.00	\$ 691,533.00	\$ 1,065,568.00	\$ 1,200,144.00	\$ 1,197,489.00	\$ 927,239.00	\$ 1,139,420.00
Transportation Fees from Other LEAs	27,307,026.06	24,375,975.42	13,632,988.21	12,337,473.00	13,135,955.00	13,775,967.00	14,447,642.00	14,295,150.00	13,523,176.00	13,191,015.00
Interest Earnings				34,224.00	34,780.00	18,128.00	35,585.00	140,905.00	233,542.00	101,463.00
Special Education Services				2,053,641.00	1,312,200.00	1,471,400.00				
Unrestricted Miscellaneous Revenues	17,870.75	2,120,068.47	2,554,894.35	79,555.00	201,771.00	226,775.00	949,760.00	879,908.00	703,419.00	366,264.00
Federal Sources	214,875.24	180,527.00	153,315.95	233,311.00	208,690.00	228,004.00	159,874.00	117,480.00	117,549.00	108,707.00
State Sources	126,916.13	717,320.23	848,589.42	5,200,971.00	5,456,099.00	6,658,209.00	6,247,430.00	6,883,981.00	7,119,738.00	6,279,099.00
Local Sources			3,316.00							
<b>Total Revenue</b>	<b>28,369,469.40</b>	<b>28,011,138.57</b>	<b>17,770,275.98</b>	<b>20,561,253.00</b>	<b>21,041,028.00</b>	<b>23,444,051.00</b>	<b>23,040,435.00</b>	<b>23,514,913.00</b>	<b>22,624,663.00</b>	<b>21,185,968.00</b>
<b>Expenditures:</b>										
<b>Current:</b>										
<b>Instruction:</b>										
Regular Instruction	611,035.70	549,969.43	560,068.59	530,461.00	691,160.00	573,908.00	494,191.00	541,291.00	540,118.00	580,319.00
Special Education Instruction		484,102.21	545,690.55	3,084,745.00	3,343,367.00	3,798,566.00	3,556,141.00	3,661,184.00	3,546,402.00	3,713,641.00
Other Special Instruction		142,598.63	246,477.05							
Other Instruction				215,476.00	166,260.00	168,993.00	117,841.00	75,793.00		
<b>Support Services and Undistributed Costs:</b>										
Student and Instruction Related Services	165,790.33	872,351.65	856,661.29	2,320,104.00	2,042,536.00	2,472,623.00	2,087,474.00	1,426,280.00	2,011,971.00	2,192,570.00
Other Administrative Services	16,732.31	109,140.26	86,934.98							
School Administrative Services	57,737.77	161,693.54	153,541.48	561,748.00	431,950.00	162,420.00	141,147.00	202,113.00	84,209.00	96,443.00
Plant Operations and Maintenance	35.43	20,004.71	16,022.78	13,523.00	23,424.00	56,973.00	39,214.00	21,307.00	17,910.00	12,209.00
Pupil Transportation	26,454,665.97	23,342,653.99	13,096,333.68	12,094,367.00	12,868,072.00	13,358,255.00	14,000,198.00	13,981,168.00	13,341,860.00	12,900,557.00
Personal Services - Employee Benefits	401,205.40	1,297,696.73	1,396,576.74	1,751,525.00	1,647,895.00	2,103,129.00	1,969,313.00	1,962,965.00	1,754,883.00	1,316,724.00
Capital Outlay	79,228.69	16,832.50	48,966.00	129,993.00	5,080.00	548,809.00	761,515.00	731,340.00	2,959,169.00	89,088.00
<b>Debt Service:</b>										
Principal						156,438.00	150,060.00	451,500.00	1,347,325.00	
Interest and Other Charges						123,722.00	130,100.00	188,546.00		
<b>Total Expenditures</b>	<b>27,786,431.60</b>	<b>26,997,043.65</b>	<b>17,007,273.14</b>	<b>20,701,942.00</b>	<b>21,219,744.00</b>	<b>23,523,836.00</b>	<b>23,447,194.00</b>	<b>23,054,941.00</b>	<b>25,792,393.00</b>	<b>20,901,551.00</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>583,037.80</b>	<b>1,014,094.92</b>	<b>763,002.84</b>	<b>(140,689.00)</b>	<b>(178,716.00)</b>	<b>(79,785.00)</b>	<b>(406,759.00)</b>	<b>459,972.00</b>	<b>(3,167,730.00)</b>	<b>284,417.00</b>
<b>Other Financing Sources (Uses):</b>										
Lease Purchase									3,745,000.00	
Transfers In			48,246.94							
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>48,246.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,745,000.00</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 583,037.80</b>	<b>\$ 1,014,094.92</b>	<b>\$ 811,249.78</b>	<b>\$ (140,689.00)</b>	<b>\$ (178,716.00)</b>	<b>\$ (79,785.00)</b>	<b>\$ (406,759.00)</b>	<b>\$ 459,972.00</b>	<b>\$ 577,270.00</b>	<b>\$ 284,417.00</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>										
	-	-	-	-	-	1.2%	1.2%	2.0%	6.3%	-

Source: Comprehensive Annual Financial Report Exhibit B-2.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 General Fund - Unrestricted Miscellaneous Revenues by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Interest on Investments	\$ 5,290.48	\$ 15,201.56	\$ 20,248.38	\$ 34,224.00	\$ 34,780.00	\$ 18,128.00	\$ 35,585.00	\$ 140,905.00	\$ 233,542.00	\$ 101,463.00
Miscellaneous	9,715.97	4,262.31	10,947.96	76,004.00	201,771.00	6,250.00	3,963.00	52,761.00	194.00	
Sale of Booklets										59,407.00
Educational Services <sup>(1)</sup>		1,272,654.49	1,606,791.82	2,053,641.00	1,312,200.00	1,691,925.00	945,797.00	846,700.00	703,225.00	
Home Instruction Services <sup>(1)</sup>		75,009.60	77,557.08							
Child Study Team Evaluations <sup>(1)</sup>		216,837.08	94,266.25							
Business Services <sup>(1)</sup>			15,402.38							
Nursing Services <sup>(1)</sup>		83,214.00	114,167.25							
Related Services <sup>(1)</sup>		383,688.00	419,074.23							
Technology Coordinator <sup>(1)</sup>		64,913.43	45,412.46							
Cooperative Purchasing Agreement <sup>(1)</sup>		4,288.00	6,231.00							
Contributions										250.00
Refund of Prior Year's Expenditures	2,864.30		144,795.54							
Tuition				622,078.00	691,533.00	1,065,568.00	1,200,144.00	1,197,489.00	927,239.00	1,446,027.00
	<u>\$ 17,870.75</u>	<u>\$ 2,120,068.47</u>	<u>\$ 2,554,894.35</u>	<u>\$ 2,785,947.00</u>	<u>\$ 2,240,284.00</u>	<u>\$ 2,781,871.00</u>	<u>\$ 2,185,489.00</u>	<u>\$ 2,237,855.00</u>	<u>\$ 1,864,200.00</u>	<u>\$ 1,607,147.00</u>

Source: Commission records.

<sup>(1)</sup> Beginning with fiscal year 2015, the charges for these services have been recorded in the enterprise fund.

## **Revenue Capacity Information**

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

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Schedule of Charges for Services by Source  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities:</b>										
Tuition Charges <sup>(1)</sup>	\$ 702,781.22	\$ 617,247.45	\$ 577,172.05							
Transportation Fees from Other LEAs	27,307,026.06	24,375,975.42	13,632,988.21	\$ 12,337,473.00	\$ 13,135,955.00	\$ 13,775,967.00	\$ 14,447,642.00	\$ 14,295,150.00	\$ 13,523,176.00	\$ 13,191,015.00
Educational Services <sup>(4)</sup>		1,272,654.49	1,606,791.82							
Home Instruction Services <sup>(4)</sup>		75,009.60	77,557.08							
Child Study Team Evaluations <sup>(4)</sup>		216,837.08	94,266.25							
Business Services <sup>(4)</sup>			15,402.38							
Nursing Services <sup>(4)</sup>		83,214.00	114,167.25							
Related Services <sup>(4)</sup>		383,688.00	419,074.23							
Technology Coordinator <sup>(4)</sup>		64,913.43	45,412.46							
Cooperative Purchasing Agreement <sup>(4)</sup>		4,288.00	6,231.00							
Other <sup>(2)</sup>				2,053,641.00	1,312,200.00	1,471,400.00				
<b>Total Governmental Activities</b>	<b>28,009,807.28</b>	<b>27,093,827.47</b>	<b>16,589,062.73</b>	<b>14,391,114.00</b>	<b>14,448,155.00</b>	<b>15,247,367.00</b>	<b>14,447,642.00</b>	<b>14,295,150.00</b>	<b>13,523,176.00</b>	<b>13,191,015.00</b>
<b>Business-Type Activities:</b>										
Nonpublic Auxiliary and Handicapped Services <sup>(3)</sup>	5,029,538.69	4,682,305.69	4,238,192.05							
Educational Services <sup>(4)</sup>	1,391,738.80									
Child Study Team Evaluations <sup>(4)</sup>	384,591.96									
Related Services <sup>(4)</sup>	359,434.61									
Home Instruction Services <sup>(4)</sup>	98,632.50									
Nursing Services <sup>(4)</sup>	22,759.40									
Cooperative Purchasing Agreement <sup>(4)</sup>	1,541.00									
Other						2,133.00	1,363.00			
<b>Total Business-Type Activities</b>	<b>7,288,236.96</b>	<b>4,682,305.69</b>	<b>4,238,192.05</b>	-	-	<b>2,133.00</b>	<b>1,363.00</b>	-	-	-
<b>Total Government-Wide Charges for Services</b>	<b>\$ 35,298,044.24</b>	<b>\$ 31,776,133.16</b>	<b>\$ 20,827,254.78</b>	<b>\$ 14,391,114.00</b>	<b>\$ 14,448,155.00</b>	<b>\$ 15,249,500.00</b>	<b>\$ 14,449,005.00</b>	<b>\$ 14,295,150.00</b>	<b>\$ 13,523,176.00</b>	<b>\$ 13,191,015.00</b>

Source: Commission records.

<sup>(1)</sup> Beginning with fiscal year 2013, tuition charges have been classified as charges for services.

<sup>(2)</sup> Beginning with fiscal year 2013, the other charges have been detailed by source.

<sup>(3)</sup> Beginning with fiscal year 2013, the charges for the nonpublic auxiliary and handicapped services have been recorded in the business-type activities.

<sup>(4)</sup> Beginning with fiscal year 2015, the charges for these services have been recorded in the business-type activities.

## **Debt Capacity Information**

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

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*Unaudited*

---

Fiscal Year Ended <u>June 30,</u>	<u>Lease Purchase Agreement Payable</u>		<u>Total Commission</u>	Percentage of Personal <u>Income</u> <sup>(2)</sup>	<u>Per Capita</u> <sup>(3)</sup>
	<u>Governmental Activities</u> <sup>(1)</sup>	<u>Business-Type Activities</u> <sup>(1)</sup>			
2015	\$ 288,383.59	\$ 1,153,534.37	\$ 1,441,917.96	*	*
2014	318,138.95	1,272,555.80	1,590,694.75	*	\$ 3.11
2013	346,681.26	1,386,725.04	1,733,406.30	0.01%	3.38
2012	374,059.98	1,496,239.89	1,870,299.87	0.01%	3.65
2011	1,998,555.00		1,998,555.00	0.01%	3.89
2010	2,279,685.00		2,279,685.00	0.01%	4.44
2009	2,911,114.00		2,911,114.00	0.01%	5.62
2008	3,061,174.00		3,061,174.00	0.01%	5.91
2007	3,512,674.00		3,512,674.00	0.02%	6.79
2006	1,115,000.00		1,115,000.00	0.01%	2.16

---

Sources:

<sup>(1)</sup> *Commission records.*

<sup>(2)</sup> *Personal income has been estimated based upon the municipal population and per capita.*

<sup>(3)</sup> *Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.*

\* *information not available.*

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the Commission operates and (2) to provide information that facilitates comparisons of financial statement information over time and among Commissions. 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 Commission operates.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

---

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> <sup>(1)</sup>	<u>Personal Income</u> <sup>(2)</sup>	<u>Per Capita Personal Income</u> <sup>(3)</sup>	<u>Unemployment Rate</u> <sup>(4)</sup>
2014	511,038	*	*	10.3%
2013	512,125	\$ 23,324,221,000.00	\$ 45,544.00	9.0%
2012	513,104	23,122,005,552.00	45,063.00	17.3%
2011	513,261	22,701,020,769.00	44,229.00	17.1%
2010	513,630	21,690,594,900.00	42,230.00	17.4%
2009	517,879	21,769,561,644.00	42,036.00	16.6%
2008	517,739	21,774,031,384.00	42,056.00	10.9%
2007	517,559	21,115,372,082.00	40,798.00	8.3%
2006	516,547	20,338,521,578.00	39,374.00	9.1%
2005	514,960	19,136,943,520.00	37,162.00	8.0%

---

*Sources:*

<sup>(1)</sup> *Annual Estimates of the Resident Population for Municipalities in New Jersey, by County: July 1, 2005 to July 1, 2014.*

<sup>(2)</sup> *Personal income has been estimated based upon the municipal population and per capita personal income.*

<sup>(3)</sup> *Regional Economic Information System, Bureau of Economic Analysis, November 2014.*

<sup>(4)</sup> *New Jersey Department of Labor and Workforce Development Labor Planning and Analysis Local Area Unemployment Statistics - May 14, 2015.*

\* *information not available.*

## **Operating Information**

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

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Full-Time Equivalent Commission Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function / Program</u>	Fiscal Year Ended June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction:										
Other Instruction	16	14	14	17	15	17	12	13	9	10
Nonpublic school programs	59	66	67	81	77	82	87	86	98	81
Support Services:										
Student and Instruction Related Services	30	30	27	15	31	32	25	26	20	11
School Administrative Services	5	4	5	5	5	6	6	6	5	5
General and Business Administrative Services	1	1	1	1	1	1	1	1	1	1
Plant Operations and Maintenance				1	1	1	1	1	1	1
Pupil Transportation	9	1	1	1	1	1	1	1	1	1
Business and Other Support Services	<u>7</u>	<u>11</u>	<u>7</u>	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>9</u>
Total	<u>127</u>	<u>127</u>	<u>122</u>	<u>131</u>	<u>140</u>	<u>150</u>	<u>142</u>	<u>143</u>	<u>143</u>	<u>119</u>

Source: Commission records.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Other:										
Central Administration (1997)										
Square Feet	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788	16,788	8,337
Functional Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Number of Schools at June 30, 2015										
Elementary = 0										
Middle School = 0										
Senior High School = 0										
Other = 1										

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October Commission count. Function Capacity is based on the F.E.S. Formula utilizing New Jersey Department of Education guidelines.

Source: Commission records.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**

Insurance Schedule

June 30, 2015

*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
Insurance Package Policy <sup>(1)</sup>		
Property	\$ 6,177,419.00	\$ 1,000.00
Environmental Package	1,000,000.00	Various
Beazley Breach Response Services	1,000,000.00	Various
Extra Expense	50,000,000.00	1,000.00
Valuable Papers	10,000,000.00	1,000.00
Electronic Data Processing	285,000.00	1,000.00
Equipment Breakdown	100,000,000.00	1,000.00
General Liability	16,000,000.00	
Automobile Liability	16,000,000.00	
Crime & Bonds:		
Faithful Performance	25,000.00	500.00
Forgery and Alteration	25,000.00	500.00
Money and Securities	5,000.00	500.00
Money Orders / Counterfeit	5,000.00	500.00
Computer Fraud	250,000.00	1,000.00
Board Secretary	250,000.00	1,000.00
Errors and Omissions <sup>(1)</sup>	6,000,000.00	5,000.00
Excess Errors and Omissions <sup>(1)</sup>	100,000.00/300,000.00	5,000.00

<sup>(1)</sup> New Jersey School Boards Associates Insurance Group

Source: Commission records.

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Directors  
Camden County Educational Services Commission  
Clementon, New Jersey 08021

***Report on Compliance for Major State Program***

We have audited the Camden County Educational Services Commission's, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the Commission's major state program for the fiscal year ended June 30, 2015. The Commission's major state program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Commission's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Camden County Educational Services Commission's, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the Commission's compliance.

***Opinion on Major State Program***

In our opinion, the Camden County Educational Services Commission, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the fiscal year ended June 30, 2015.

### ***Report on Internal Control Over Compliance***

Management of the Camden County Educational Services Commission, 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 Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 Commission's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

*BOWMAN & COMPANY LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*L. Jarred Corn*

L. Jarred Corn  
Certified Public Accountant  
Public School Accountant No. CS 00219700

Voorhees, New Jersey  
December 17, 2015

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2015

Federal Grantor / Pass-through <u>Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u> <u>From</u> <u>To</u>	
Special Revenue Fund:					
U.S. Department of Education:					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I, Part D, Prevention and Intervention Programs for Children	84.013A	NCLB0178014	\$ 182,881.00	07/01/13	06/30/14
Title I, Part D, Prevention and Intervention Programs for Children	84.013A	NCLB0178015	242,713.00	07/01/14	06/30/15
Total Title I, Part D, Prevention and Intervention Programs for Children					
Total Special Revenue Fund					
Total Federal Financial Assistance					

This schedule of expenditures of federal awards is included as other supplementary information only. A federal single audit in accordance with the U.S. Office of Management and Budget Circular A-133 was not required as total federal expenditures did not equal or exceed \$500,000.00.

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

Balance <u>June 30, 2014</u>	Cash <u>Received</u>	Budgetary <u>Expenditures</u>	<u>Adjustments</u>	Repayment of Prior Years' <u>Balances</u>	<u>Balance June 30, 2015</u>		
					<u>(Accounts Receivable)</u>	<u>Unearned Revenue</u>	<u>Due to Grantor</u>
\$ (16,838.95)	\$ 16,839.00		\$ (0.05)				
	<u>186,284.00</u>	<u>\$ (214,875.24)</u>			<u>\$ (28,591.24)</u>		
<u>(16,838.95)</u>	<u>203,123.00</u>	<u>(214,875.24)</u>	<u>(0.05)</u>	<u>-</u>	<u>(28,591.24)</u>	<u>-</u>	<u>-</u>
<u>(16,838.95)</u>	<u>203,123.00</u>	<u>(214,875.24)</u>	<u>(0.05)</u>	<u>-</u>	<u>(28,591.24)</u>	<u>-</u>	<u>-</u>
<u>\$ (16,838.95)</u>	<u>\$ 203,123.00</u>	<u>\$ (214,875.24)</u>	<u>\$ (0.05)</u>	<u>-</u>	<u>\$ (28,591.24)</u>	<u>-</u>	<u>-</u>

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2015

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014	
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
New Jersey Department of Education:						
Current Expense:						
Reimbursed TPAF Social Security Contributions	495-034-5095-002	\$ 255,771.23	07/01/13	06/30/14	\$ (12,393.88)	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	42,349.57	07/01/14	06/30/15		
Total Reimbursed TPAF Social Security Contributions					(12,393.88)	-
Total General Fund					(12,393.88)	-
Enterprise Fund:						
New Jersey Department of Education:						
Current Expense:						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	227,607.35	07/01/14	06/30/15		
Total Reimbursed TPAF Social Security Contributions					-	-
Total Enterprise Fund					-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(12,393.88)	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-006 / 007	32,682.72	07/01/14	06/30/15		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	51,883.84	07/01/14	06/30/15		
Total General Fund On-behalf Contributions					-	-
Total General Fund (Non-Cash Assistance)					-	-
Enterprise Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	495-034-5094-006 / 007	171,584.28	07/01/14	06/30/15		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	272,390.16	07/01/14	06/30/15		
Total Enterprise Fund On-behalf Contributions					-	-
Total Enterprise Fund (Non-Cash Assistance)					-	-
Total State Non-Cash Assistance					-	-
Total State Financial Assistance					\$ (12,393.88)	-

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

Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2015			(Memo Only)	
			(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2015	Cumulative Total Expenditures
\$ 12,393.88							
40,265.92	\$ (42,349.57)		\$ (2,083.65)			\$ (2,083.65)	\$ (42,349.57)
52,659.80	(42,349.57)	-	(2,083.65)	-	-	(2,083.65)	(42,349.57)
52,659.80	(42,349.57)	-	(2,083.65)	-	-	(2,083.65)	(42,349.57)
216,408.78	(227,607.35)		(11,198.57)			(11,198.57)	(227,607.35)
216,408.78	(227,607.35)	-	(11,198.57)	-	-	(11,198.57)	(227,607.35)
216,408.78	(227,607.35)	-	(11,198.57)	-	-	(11,198.57)	(227,607.35)
269,068.58	(269,956.92)	-	(13,282.22)	-	-	(13,282.22)	(269,956.92)
32,682.72	(32,682.72)						(32,682.72)
51,883.84	(51,883.84)						(51,883.84)
84,566.56	(84,566.56)	-	-	-	-	-	(84,566.56)
84,566.56	(84,566.56)	-	-	-	-	-	(84,566.56)
147,483.84	(147,483.84)						(147,483.84)
272,390.16	(272,390.16)						(272,390.16)
419,874.00	(419,874.00)	-	-	-	-	-	(419,874.00)
419,874.00	(419,874.00)	-	-	-	-	-	(419,874.00)
504,440.56	(504,440.56)	-	-	-	-	-	(504,440.56)
<u>\$ 773,509.14</u>	<u>\$ (774,397.48)</u>	<u>-</u>	<u>\$ (13,282.22)</u>	<u>-</u>	<u>-</u>	<u>\$ (13,282.22)</u>	<u>\$ (774,397.48)</u>

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2015

---

**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Camden County Educational Services Commission (hereafter referred to as the "Commission"). The Commission is defined in note 1 to the Commission's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance 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 Commission's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis. 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.

Net adjustments to reconcile revenues and expenditures from the budgetary basis to the GAAP basis for the general fund and special revenue fund were not needed for the fiscal year ended June 30, 2015. 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 Commission'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 Fund		\$ 126,916.13	\$ 126,916.13
Special Revenue Fund	\$ 214,875.24		214,875.24
Enterprise Fund		647,481.35	647,481.35
	<hr/>	<hr/>	<hr/>
Total Awards and Financial Assistance	<u>\$ 214,875.24</u>	<u>\$ 774,397.48</u>	<u>\$ 989,272.72</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

The amount reported in the column entitled "adjustments" on the schedule of expenditures of federal awards represents a rounding adjustment in the amount of \$.05 resulting on the collection of an accounts receivable balance during the fiscal year ended June 30, 2015.

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

During the fiscal year ended June 30, 2015, the Commission was the recipient of federal and state assistance that represented either a reimbursement to the Commission or payments made on-behalf of the Commission. Revenues and expenditures reported under the TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the Commission has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

**Note 7: MAJOR PROGRAMS**

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

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

**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** (A Federal Single Audit was not required for the fiscal year ended June 30, 2015.)

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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



**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

---

***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.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

---

***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 OMB Circular A-133.

A Federal single audit was not required for the fiscal year ended June 30, 2015.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

---

***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 OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

None.

**CAMDEN COUNTY EDUCATIONAL SERVICES COMMISSION**  
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*, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

A Federal single audit was not required for the fiscal year ended June 30, 2014.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.