

CLEMENTON SCHOOL DISTRICT



**CLEMENTON BOARD OF EDUCATION
CAMDEN COUNTY, NEW JERSEY**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

**CLEMENTON SCHOOL DISTRICT
Table of Contents**

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information – Part I Management’s Discussion and Analysis	16
Basic Financial Statements	
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	31
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	34
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds:	
B-4 Statement of Net Position	37
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	38
B-6 Statement of Cash Flows	39
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	40
B-8 Statement of Changes in Fiduciary Net Position	41
Notes to the Financial Statements	42
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	74
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	85
C-3 Notes to Required Supplementary Information – Part II	86

CLEMENTON SCHOOL DISTRICT
Table of Contents (Cont'd)

		Page
Required Supplementary Information – Part III		
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)		
L-1	Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	89
L-2	Schedule of School District Contributions – PERS	90
L-3	Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	91
L-4	Schedule of School District Contributions – TPAF	92
L-5	Notes to the Required Supplementary Information	93
Required Supplementary Information – Part IV		
L-6	Schedule of Funding Progress for Health Benefits Plan	
L-7	Notes to the Required Supplementary Information – Part IV	
N/A		
N/A		
Other Supplementary Information		
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 Revenues and Expenditures – Budgetary Basis	96
E-2	Schedule of Preschool Education Aid – Budgetary Basis	97
F. Capital Projects Fund:		
F-1	Summary Schedule of Project Expenditures – Budgetary Basis	99
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	N/A
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	100
F-2b	Statement of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	N/A

CLEMENTON SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	102
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	103
G-3 Combining Statement of Cash Flows	104
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	106
H-2 Combining Statement of Changes in Fiduciary Net Position	107
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	108
H-4 Payroll and Agency Fund Schedule of Receipts and Disbursements	109
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	111
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Budgetary Comparison Schedule	112

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	115
J-2 Changes in Net Position	116
J-3 Fund Balances—Governmental Funds	118
J-4 Changes in Fund Balances—Governmental Funds	119
J-5 General Fund--Unrestricted Miscellaneous Revenue by Source	120

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property	122
J-7 Direct and Overlapping Property Tax Rates	123
J-8 Principal Property Taxpayers	124
J-9 Property Tax Levies and Collections	125

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	127
J-11 Ratios of Net General Bonded Debt Outstanding	128
J-12 Direct and Overlapping Governmental Activities Debt	129
J-13 Legal Debt Margin Information	130

**CLEMENTON SCHOOL DISTRICT
Table of Contents (Cont'd)**

	Page
Statistical Section (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	132
J-15 Principal Non-Governmental Employers	133
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	135
J-17 Operating Statistics	136
J-18 School Building Information	137
J-19 Schedule of Required Maintenance by School Facility	138
J-20 Insurance Schedule	139
 SINGLE AUDIT SECTION 	
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	13
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	141
K-3 Schedule of Expenditures of Federal Awards, Schedule A	143
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	145
K-5 Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance	147
K-6 Schedule of Findings and Questioned Costs	149
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	154

INTRODUCTORY SECTION

Clementon School District

CLEMENTON BOARD OF EDUCATION
4 Audubon Avenue
Clementon, New Jersey 08021-4499

Telephone: (856) 783-2300
Fax: (856) 783-8929

CLEMENTON ELEMENTARY SCHOOL
4 Audubon Avenue
Clementon, New Jersey 08021-4499

Telephone: (856) 783-2300
Fax: (856) 783-8929

December 7, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Clementon School District (District) 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and Single Audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-profit Organizations", and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Clementon School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Clementon Board of Education and its school constitute the District’s reporting entity.

The District provided educational services for grades Pre-Kindergarten through grade 8 in our building. Through a send/receive relationship with the Pine Hill School District, we provide programs for our students in grades 9-12, including Special Education. The District completed the 2014-2015 fiscal year with an average enrollment of 428 students. The following details the changes in the student enrollment of the District over the last sixteen (16) years.

AVERAGE DISTRICT ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2014-2015	428	-26	5.0
2013-2014	454	2	.01
2012-2013	452	-4	.01
2011-2012	456	-22	.05
2010-2011	478	-18	.04
2009-2010	496	-23	.05
2008-2009	519	6	0.1
2007-2008	513	-20	2.2
2006-2007	533	- 45	1.1
2005-2006	578	- 34	.0.6
2004-2005	612	9	0.2
2003-2004	604	21	3.7
2002-2003	583	1	< 0.1
2001-2002	582	66	12.8
2000-2001	516	25	5.0
1999-2000	491	9	0.2

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Clementon is considered to be small in size with an area of only two square miles. The Borough comprised approximately 1280 acres and is estimated to be 90% developed with 85% of the developed area being residential, 10% commercial and 5% industrial.

The history of the Borough of Clementon centers around its six lakes. In the early 1900’s it was a favorite spot for summer vacationers with a bustling downtown area and its famed amusement park, Clementon Lake Park. Today, however, many of the stores and businesses have left the Borough in favor of shopping malls and large commercial office buildings. This has resulted in the majority of the land becoming residential. Population estimates of the Borough and the 2000 census reveal a decrease in the number of residents in recent years. Estimates of July 1, 1998 place the population at 5,399, while the 2000 census shows 4,850, a decrease of 10.1%. Borough officials cite the possibility of an inaccurate accounting from apartment residents as a cause for the decrease. An

indication of this can be seen in the increase of students enrolled at Clementon School District. The average District enrollment has increased due to the dissolution of the Lower Camden County Regional School District Number One. Clementon now educates students through high school, entering into a send/receive relationship with the Pine Hill School District for our 9th through 12th graders. Our enrollment of Pre-K - 8th grade students has decreased to 428 for the 2014-2015 school year. Clementon students enrolled at Overbrook High School in Pine Hill number 150.

3. MAJOR INITIATIVES: The District is utilizing the Marzano Teacher Evaluation System and is following the requirements of ACHIEVE NJ. In addition, the District has implemented Student Growth Objectives (SGOs) that get linked to the teacher's overall summative evaluation. Some of the programs we use for assessing students include IRLA, NJ State Benchmarks, STAR, and Study Island. These programs allow teachers to identify students that need remediation with academic skills. All of these programs are aligned with the state standards.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs; as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are

included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as an assignment of fund balance at June 30, 2015.

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

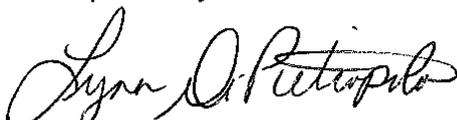
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the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

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

9. OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended in 1996, and the related OMB Circular A-133 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements 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 the report.

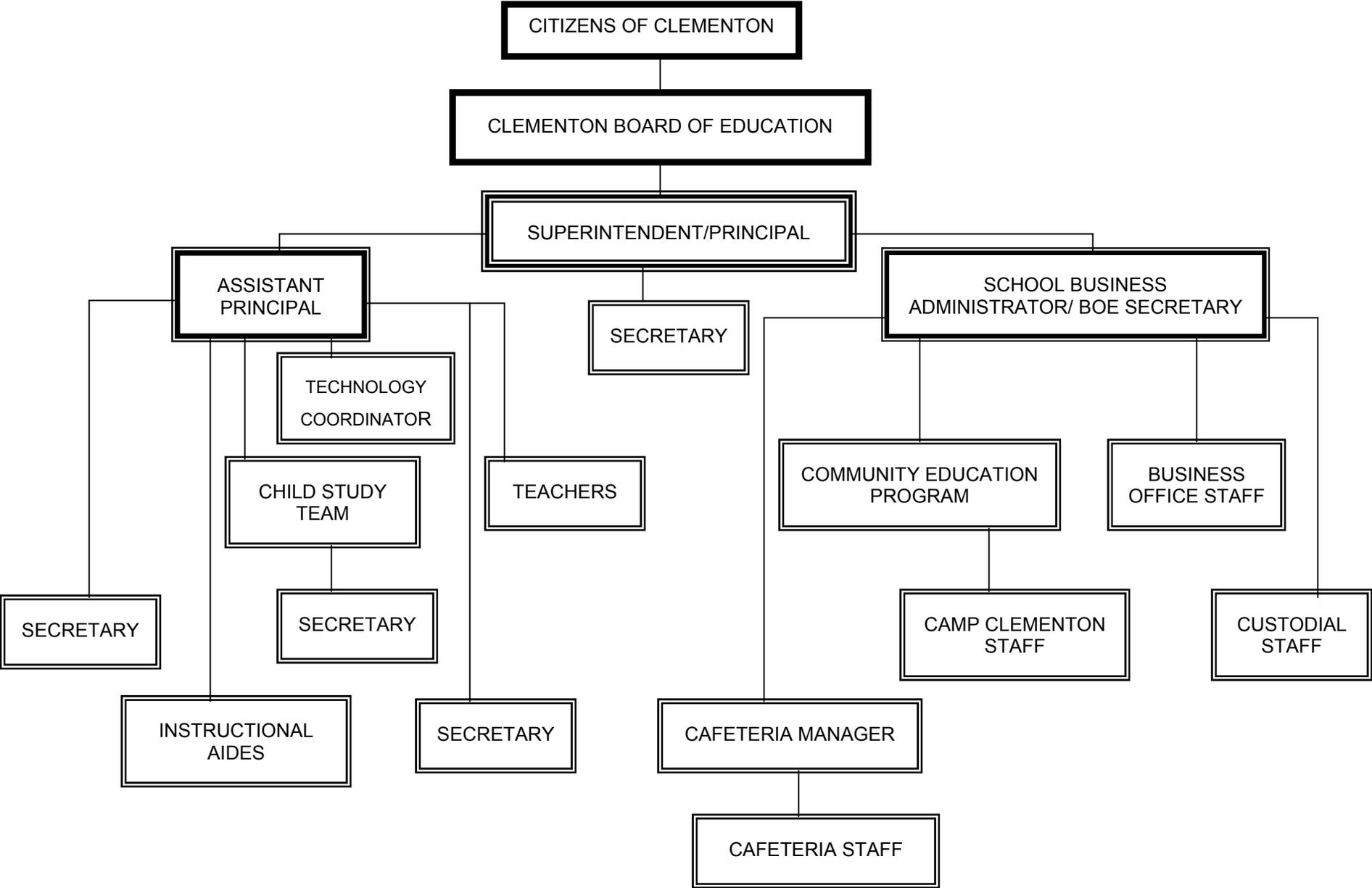
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Clementon Board of Education for their concern in providing fiscal accountability to the citizens and taxpayer of the school district and thereby contributing full support to the development and maintenance of our financial operation.

Respectfully submitted,


Lynn DiPietropolo
Superintendent/Principal


Joanne E. Clement
School Business Administrator/
Board Secretary

**CLEMENTON BOARD OF EDUCATION
Organizational Chart**



**CLEMENTON SCHOOL DISTRICT
CLEMENTON, NJ**

Roster of Officials

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Irene Buchalter, President	2017
Ellen Suckle, Vice President	2015
Virginia de Haan	2015
William Dilworth	2017
Randall Freiling	2017
Kathleen Rappold	2016
John Romer, Sr.	2015
Desiree Pizzo	2015
William Weyland	2016

Other Officials

Mary Bakey, Treasurer of School Moneys

Lynn DiPietropolo, Superintendent of Schools

Joanne Clement, School Business Administrator / Board Secretary

Frank Cavallo, Jr., Esq., Attorney

**CLEMENTON SCHOOL DISTRICT
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

Attorney

Frank Cavallo, Jr., Esq.
Parker McCay
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-1539

Official Depository

Beneficial Bank
530 Walnut Street
Philadelphia, Pennsylvania 19106-3696

TD Bank, N.A.
1701 Route 70 Ease
Cherry Hill, New Jersey 08034

Medical

Family Medicine Association
979 N. Black Horse Pike
Williamstown, New Jersey 08094

Insurance Broker

Brown & Brown Consulting Group
24 Arnett Avenue
Lambertville, New Jersey 08530

Burlington County Joint Insurance Pool
6000 Sagemore Drive, Suite 6203
P.O. Box 489
Marlton, New Jersey 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Clementon School District
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 Clementon School District, 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 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clementon School District, 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 School District 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 opinion is 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 has been restated, as discussed in note 19 to the financial statements. Our opinion is 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 School District's proportionate share of the net pension liability, and schedule of School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clementon School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by 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*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

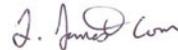
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2015 on our consideration of the Clementon School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clementon School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
December 7, 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 Education
Clementon School District
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 Clementon School District, 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 School District's basic financial statements, and have issued our report thereon dated December 7, 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 Clementon School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Clementon School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 Clementon School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

L. Jarred Corn

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

Voorhees, New Jersey
December 7, 2015

REQUIRED SUPPLEMENTARY INFORMATION
PART I

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

As management of the Clementon School District (hereafter referred to as the "School District"), we offer readers of the School District'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 School District'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 School District's financial performance.

FINANCIAL HIGHLIGHTS

- During the fiscal year ended June 30, 2015, the School District 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 School District, 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 \$3,978,142.98 at the close of the current fiscal year. Of this amount, \$3,813,006.91 represents net position of governmental activities and \$165,136.07 for business-type activities.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$2,254,273.55, an increase of \$594,320.87, or thirty-six percent (36%), in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$288,099.70, which represents a fifteen percent (15%) increase from that of the prior fiscal year. Maintaining fund balance is vital for the School District's cash flow. Additional information as to the cause of this unassigned deficit fund balance can be found in note 17 to the financial statements.
- The School District's total bonded debt decreased by \$417,000.00 as a result of budgeted debt 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 School District as a whole and present a longer-term view of the School District'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 School District's operations in more detail than the government-wide statements by providing information about the School District's most significant funds.

Reporting the School District as a Whole

One of the most important questions asked about the School District's finances is, "Is the School District 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 School District 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.

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

USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)

Reporting the School District as a Whole (Cont'd)

These two statements report the School District's *net position* and changes in it. You can think of the School District'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 School District's financial health, or *financial position*. Over time, *increases or decreases* in the School District'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 changes in the School District's property tax base and the condition of the School District's capital assets, to assess the *overall health* of the School District.

In the statement of net position and the statement of activities, we divide the School District into two kinds of activities, those being governmental activities and business-type activities. In the governmental activities, this is where all of the School District's basic services are reported and are supported from property taxes and intergovernmental revenues. The business-type activities of the School District include a food service program and a Camp Clementon Community Education program and are supported from user fees and charges.

Reporting the School District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the School District 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 School District, 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 School District 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 School District 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 School District adopts an annual budget for its general fund, special revenue fund, and debt service fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Proprietary Funds - The School District 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 School District uses an enterprise fund to account for its food service and Camp Clementon Community Education programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service and Camp Clementon Community Education school programs, which are all considered to be major funds.

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

USING COMPREHENSIVE ANNUAL FINANCIAL REPORT (CONT'D)

Reporting the School District'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 School District'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 SCHOOL DISTRICT AS A WHOLE

During fiscal year 2015, the School District's net position increased by \$893,913.71, increasing from \$3,084,229.27 in fiscal year 2014 to \$3,978,142.98 in fiscal year 2015. Our analysis that follows focuses on the net position (Table 1) and changes in net position (Table 3) of the School District's governmental-type activities and business-type activities.

TABLE 1 NET POSITION								
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-wide Totals</u>		<u>Government-wide</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 2,595,807.82	\$ 1,769,012.91	\$ 122,139.88	\$ 129,274.95	\$ 2,717,947.70	\$ 1,898,287.86	\$ 819,659.84	43.2%
Capital Assets	4,588,386.00	4,705,802.00	47,705.00	55,521.00	4,636,091.00	4,761,323.00	(125,232.00)	-2.6%
Total Assets	<u>7,184,193.82</u>	<u>6,474,814.91</u>	<u>169,844.88</u>	<u>184,795.95</u>	<u>7,354,038.70</u>	<u>6,659,610.86</u>	<u>694,427.84</u>	<u>10.4%</u>
Deferred Outflows of Resources	174,172.12	52,129.25	-	-	174,172.12	52,129.25	122,042.87	234.1%
Other Liabilities	408,338.16	116,155.23	4,708.81	4,486.71	413,046.97	120,641.94	292,405.03	242.4%
Long-Term Liabilities Outstanding	3,049,300.87	2,037,729.90	-	-	3,049,300.87	2,037,729.90	1,011,570.97	49.6%
Total Liabilities	<u>3,457,639.03</u>	<u>2,153,885.13</u>	<u>4,708.81</u>	<u>4,486.71</u>	<u>3,462,347.84</u>	<u>2,158,371.84</u>	<u>1,303,976.00</u>	<u>60.4%</u>
Deferred Inflows of Resources	87,720.00	-	-	-	87,720.00	-	87,720.00	100.0%
Net Investment in Capital Assets	3,323,614.12	3,037,931.25	47,705.00	55,521.00	3,371,319.12	3,093,452.25	277,866.87	9.0%
Restricted	2,439,948.99	1,801,261.39	-	-	2,439,948.99	1,801,261.39	638,687.60	35.5%
Unrestricted	(1,950,556.20)	(466,133.61)	117,431.07	124,788.24	(1,833,125.13)	(341,345.37)	(1,491,779.76)	-437.0%
Total Net Position	<u>3,813,006.91</u>	<u>4,373,059.03</u>	<u>165,136.07</u>	<u>180,309.24</u>	<u>3,978,142.98</u>	<u>4,553,368.27</u>	<u>(575,225.29)</u>	<u>-12.6%</u>
Restatement to record Net Pension Liability (GASBS No. 68 and No. 71)	-	(1,469,139.00)	-	-	-	(1,469,139.00)	1,469,139.00	100.0%
Net Position (Restated)	<u>\$ 3,813,006.91</u>	<u>\$ 2,903,920.03</u>	<u>\$ 165,136.07</u>	<u>\$ 180,309.24</u>	<u>\$ 3,978,142.98</u>	<u>\$ 3,084,229.27</u>	<u>\$ 893,913.71</u>	<u>29.0%</u>

In total, assets increased by \$694,427.84, deferred outflows of resources increased by \$122,042.87, liabilities increased by \$1,303,976.00, and deferred inflows of resources increased by \$87,720.00. The increase in assets was primarily attributable to an increase in cash on hand at fiscal year-end, a direct result of the positive \$893,913.71 change in net position. In addition, the School District was able to increase its capital reserve cash balance by \$300,001.15 (see note 18). The net increase in deferred outflows of resources (\$122,042.87), the net increase in liabilities (\$1,303,976.00), 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 8 and Table 2 that follows).

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

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

TABLE 2				
NET POSITION - EFFECT OF PENSION RELATED ITEMS				
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 135,944.00	-	\$ 135,944.00	100.0%
Less: Net Pension Liability	(1,471,954.00)	\$ (1,469,139.00)	2,815.00	0.2%
Less: Deferred Inflows Related to Pensions	<u>(87,720.00)</u>	<u>-</u>	87,720.00	100.0%
Total Net Position Effect	<u>\$ (1,423,730.00)</u>	<u>\$ (1,469,139.00)</u>		

The largest portion, eighty-five percent (85%) or \$3,371,319.12, of the School District'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 School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending. Although the School District'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.

An additional component of the School District's net position, approximately sixty-one percent (61%), or \$2,439,948.99, represents resources that are restricted. These amounts consist of amounts restricted for debt service, tuition, emergencies, maintenance, excess surplus, and capital projects. Additional information on the School District's restricted net position can be found in note 18 in the notes to the financial statements.

The third and final component of net position is unrestricted. This component represents resources and uses that do not meet the criteria of the aforementioned two components of net position. At the end of the current fiscal year, the School District's unrestricted net position was in a deficit in the amount of \$1,833,125.13. The deficit is primarily due to the delay of the June state aid payments and the recording of long-term liabilities for early retirement incentive, compensated absences, and net pension liability. Such long-term liabilities are funded by the School District on a pay-as-you-go basis. See note 7 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 School District's governmental-type activities and business-type activities.

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

THE SCHOOL DISTRICT 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
REVENUES:								
Program Revenues:								
Charges for Services	\$ 87,815.55	\$ 80,870.39	\$ 122,469.57	\$ 127,004.41	\$ 210,285.12	\$ 207,874.80	\$ 2,410.32	1.2%
Operating Grants and Contributions	1,202,679.42	1,159,245.92	177,952.77	171,000.64	1,380,632.19	1,330,246.56	50,385.63	3.8%
Capital Grants and Contributions	97,831.90				97,831.90		97,831.90	100.0%
General Revenues:								
Property Taxes:								
Levied for General Purposes	4,076,653.00	3,997,359.00			4,076,653.00	3,997,359.00	79,294.00	2.0%
Levied for Debt Service	445,380.01	328,678.00			445,380.01	328,678.00	116,702.01	35.5%
Federal and State Aid - Unrestricted	6,518,714.99	6,431,998.98			6,518,714.99	6,431,998.98	86,716.01	1.3%
Federal and State Aid - Restricted		97,195.50				97,195.50	(97,195.50)	-100.0%
Interest and Investment Earnings - Unrestricted	1.27	7,243.76	1.19	222.97	2.46	7,466.73	(7,464.27)	-100.0%
Interest and Investment Earnings - Restricted	1.15	1,352.37			1.15	1,352.37	(1,351.22)	-99.9%
Miscellaneous	61,754.93	127,986.40			61,754.93	127,986.40	(66,231.47)	-51.7%
Total Revenues	12,490,832.22	12,231,930.32	300,423.53	298,228.02	12,791,255.75	12,530,158.34	261,097.41	2.1%
EXPENSES:								
Instruction	3,661,248.79	3,615,301.75			3,661,248.79	3,615,301.75	45,947.04	1.3%
Support Services	7,786,176.42	8,142,538.26			7,786,176.42	8,142,538.26	(356,361.84)	-4.4%
Transfer of Funds to Charter School	59,369.00	19,386.00			59,369.00	19,386.00	39,983.00	206.2%
Interest on Long-Term Debt	40,561.02	51,735.35			40,561.02	51,735.35	(11,174.33)	-21.6%
Unallocated Depreciation	29,585.11	29,354.50			29,585.11	29,354.50	230.61	0.8%
Loss on Disposal of Capital Assets	4,805.00				4,805.00		4,805.00	100.0%
Food Service			237,690.00	246,356.61	237,690.00	246,356.61	(8,666.61)	-3.5%
Camp Clementon Community Education			77,906.70	44,167.83	77,906.70	44,167.83	33,738.87	76.4%
Total Expenses	11,581,745.34	11,858,315.86	315,596.70	290,524.44	11,897,342.04	12,148,840.30	(251,498.26)	-2.1%
Change in Net Position	909,086.88	373,614.46	(15,173.17)	7,703.58	893,913.71	381,318.04	512,595.67	134.4%
Net Position, July 1	2,903,920.03	3,999,444.57	180,309.24	172,605.66	3,084,229.27	4,172,050.23		
Net Position, June 30	3,813,006.91	4,373,059.03	165,136.07	180,309.24	3,978,142.98	4,553,368.27		
Restatement to record Net Pension Liability (GASBS No. 68 and No. 71)								
		(1,469,139.00)			-	(1,469,139.00)		
Net Position (Restated)	\$ 3,813,006.91	\$ 2,903,920.03	\$ 165,136.07	\$ 180,309.24	\$ 3,978,142.98	\$ 3,084,229.27		

During fiscal year 2015, the School District's total revenues increased by \$261,097.41, increasing from \$12,530,158.34 in fiscal year 2014 to \$12,791,255.75 in fiscal year 2015. The net change in total revenues is largely attributable to the following:

- property taxes (levied for general purposes and debt service) increased from fiscal year 2014 by \$195,996.01, or 5%
- unrestricted federal and state aid increased from fiscal year 2014 by \$86,716.01, or 1%
- capital grants and contributions increased from fiscal year 2014 by \$97,831.90, or 100%

Property taxes constituted approximately thirty-five percent (35%) of total revenues for the School District for the fiscal year 2015. In addition, unrestricted federal and state aid constituted approximately fifty-one percent (51%) of total revenues for the School District. Lastly, charges for services, operating grants and contributions, interest and investment earnings, and miscellaneous income constituted approximately fourteen percent (14%) of total revenues for the School District.

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

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

During fiscal year 2015, the School District's total expenses decreased by \$251,498.26, decreasing from \$12,148,840.30 in fiscal year 2014 to \$11,897,342.04 in fiscal year 2015. The net decrease is largely attributable to the following:

- a reduction of costs for support services in the amount of \$356,361.84, or 4%, attributable to decreased tuition costs

THE SCHOOL DISTRICT'S FUNDS

Governmental Funds

As the School District completed the fiscal year, its governmental funds reported a *combined* fund balance of \$2,254,273.55, which is an increase over last fiscal year's total of \$1,659,952.68. Of the combined ending fund balances of \$2,254,273.55, the deficit unassigned fund balance was \$296,924.00 (see note 17 for cause of deficit). The remainder of fund balance is restricted / assigned to indicate that it is not available for new spending because it has already been assigned as follows: (1) restricted for capital reserve (\$919,471.79), (2) restricted for tuition reserves (\$400,000.00), (3) restricted for emergency reserve (\$200,000.00), (4) restricted for maintenance reserve (\$75,000.00), (5) restricted for excess surplus (\$832,026.30), (6) restricted for capital projects fund (\$2,339.90), (7) restricted for debt service (\$11,111.00), (8) assigned to liquidate contracts and purchase orders of the prior period (\$18,838.11), and (9) assigned to the fiscal year 2016 budget for subsequent year's expenditures (\$92,410.45).

General fund - The general fund is the general operating fund of the School District 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 in a deficit in the amount of \$288,099.70. As previously stated, the deficit is primarily due to the delay of the June state aid payments (see note 17).

During the current fiscal year, the fund balance of the School District's general fund increased by \$643,522.27, or forty percent (40%). The primary factor affecting the fund balance of the general fund is as follows:

- tuition expenditures decreased from fiscal year 2014 by \$367,791.93, or 10%
- total expenditures decreased from fiscal year 2014 by \$251,384.99, or 2%

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, unassigned fund balance of the special revenue fund was in a deficit in the amount of \$8,824.30. The primary factor affecting the fund balance of the special revenue fund is the delay of the June state aid payments for the preschool education aid (see note 17).

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 New Jersey Economic Development Authority grants, temporary notes, or serial bonds, which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. At the end of the current fiscal year, restricted fund balance of the capital projects fund was \$2,339.90.

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

THE SCHOOL DISTRICT'S FUNDS (CONT'D)

Governmental Funds (Cont'd)

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. For the current fiscal year, the School District expended \$417,000.000 and \$28,380.00 representing the payment of bond principal and interest, respectively. At the end of the current fiscal year, restricted fund balance of the debt service fund was \$11,111.00.

Proprietary Funds

Food service fund - as the School District completed the fiscal year, the School District's total net position of the food service fund was \$99,507.11, which was comprised of \$47,705.00 of net investment in capital assets and \$51,802.11 of unrestricted net position.

During the current fiscal year, the net position of the School District's food service fund decreased by \$8,445.73, or eight percent (8%). The decrease in net position primarily resulted from the depreciation of capital assets used in food service operations. Depreciation expense was 7,816.00 for the fiscal year ended June 30, 2015.

Camp Clementon Community Education Fund - as the School District completed the fiscal year, the School District's total net position of the Camp Clementon Community Education Fund was unrestricted in the amount of \$65,628.96.

During the current fiscal year, the net position of the School District's Camp Clementon Community Education Fund decreased by \$6,727.44. The factors contributing to the decrease in net position of the Camp Clementon Community Education Fund resulted in a decrease in tuition revenue coupled with an increase in salary related expenses.

General Fund Budgetary Highlights

The School District did not have any budget modifications during the fiscal year ended June 30, 2015.

The final budgetary basis revenue estimate was \$10,579,507.00, which remained unchanged from the original budgeted estimate. Total budgeted revenues realized equaled \$11,443,254.52, which was \$863,747.52 in excess of the budget estimate, thus replenishing fund balance. This excess was directly attributable to the School District'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 \$477,719.00 and \$224,214.93, respectively. In addition, the School District realized \$87,815.55 in excess of budgeted revenues for tuition.

The final budgetary basis expenditure appropriation estimate was \$10,984,855.28, which remained unchanged from the original budgeted estimate. Actual expenditures incurred of \$10,798,547.55 were under the final budget estimate by \$186,307.73. This favorable variance resulted primarily because the amount estimated for tuition related expenditures was in excess of the amount of expenditures incurred.

Special Revenue Fund Budgetary Highlights

The final budgetary basis revenue estimate was \$671,192.26, which remained unchanged from the original budgeted estimate. Likewise, this was the same for the final budgetary basis appropriation estimate.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to a historical cost of \$10,297,127.00, or \$4,636,091.00 net of accumulated depreciation (see Table 4). This net investment in capital assets includes land, construction in progress, land improvements, buildings and building improvements, and machinery and equipment. Net capital assets decreased by \$125,232.00 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 \$303,661.00
- capital asset additions in the amount of \$183,234.00

TABLE 4						
CAPITAL ASSETS AT FISCAL YEAR END						
(NET OF ACCUMULATED DEPRECIATION)						
	Governmental		Business-Type		Government-wide	
	Activities		Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 178,131.00	\$ 178,131.00			\$ 178,131.00	\$ 178,131.00
Construction in Progress		18,005.00				18,005.00
Land Improvements	38,126.00	42,600.00			38,126.00	42,600.00
Buildings and Building Improvements	4,306,958.00	4,404,534.00			4,306,958.00	4,404,534.00
Machinery and Equipment	65,171.00	62,532.00	\$ 47,705.00	\$ 55,521.00	112,876.00	118,053.00
Total	\$ 4,588,386.00	\$ 4,705,802.00	\$ 47,705.00	\$ 55,521.00	\$ 4,636,091.00	\$ 4,761,323.00

Additional information on the School District's capital assets can be found in note 6.

Debt

General Serial Bonds. At the end of the current fiscal year, the School District had total bonded debt outstanding of \$1,303,000.00 from the School District Bonds, Series 2013. The fiscal year 2015 adopted budget had an appropriation of \$417,000.00 representing the payment of the annual principal (refer to audit exhibit I-1, schedule of serial bonds, for more detail).

Early Retirement Incentive. At the end of the current fiscal year, the liability for the early retirement incentive was \$161,309.00. This amount represents the School District's accrued liability for its proportionate share of the "Regional High School Early Retirement Incentive Program". Additional information on the School District's liability can be found in note 7 to the financial statements.

Net Pension Liability. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid on an annual basis. For additional details on the net pension liability, see note 8 to the financial statements.

Compensated Absences. At the end of the current fiscal year, the liability for compensated absences was \$113,037.87. 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 13 to the financial statements.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the fiscal year 2015, the School District was able to sustain its budget through property taxes, federal and state sources, and other various revenue sources. Approximately thirty-five percent (35%) of total revenue is from property taxes, while sixty-five percent (65%) of the School District's revenue is from federal, state, and local sources. The fiscal year 2016 budget was approved on March 16, 2015 by the Board.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Clementon School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Joanne Clement, School Business Administrator / Board Secretary, at the Clementon School District, 4 Audubon Avenue, Clementon, New Jersey 08012, or email at clemboe@clementon.k12.nj.us.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CLEMENTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,613,751.95	\$ 112,832.81	\$ 1,726,584.76
Internal Balances	2,978.66	(2,978.66)	
Accounts Receivable, net	259,605.42	8,512.45	268,117.87
Inventory		3,773.28	3,773.28
Restricted Assets:			
Cash and Cash Equivalents	719,471.79		719,471.79
Capital Assets, net	4,588,386.00	47,705.00	4,636,091.00
Total Assets	7,184,193.82	169,844.88	7,354,038.70
DEFERRED OUTFLOWS OF RESOURCES:			
Loss on Refunding of Debt	38,228.12		38,228.12
Related to Pensions	135,944.00		135,944.00
Total Deferred Outflows of Resources	174,172.12	-	174,172.12
LIABILITIES:			
Accounts Payable	181,231.29		181,231.29
Accrued Wages	212,412.96		212,412.96
Accrued Interest Payable	5,374.89		5,374.89
Unearned Revenue	9,319.02	4,708.81	14,027.83
Noncurrent Liabilities:			
Due within One Year	488,765.99		488,765.99
Due beyond One Year	2,560,534.88		2,560,534.88
Total Liabilities	3,457,639.03	4,708.81	3,462,347.84
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	87,720.00	-	87,720.00
NET POSITION:			
Net Investment in Capital Assets	3,323,614.12	47,705.00	3,371,319.12
Restricted for:			
Debt Service	11,111.00		11,111.00
Tuition	400,000.00		400,000.00
Emergency	200,000.00		200,000.00
Maintenance	75,000.00		75,000.00
Excess Surplus	832,026.30		832,026.30
Capital Projects	921,811.69		921,811.69
Unrestricted (Deficit)	(1,950,556.20)	117,431.07	(1,833,125.13)
Total Net Position	\$ 3,813,006.91	\$ 165,136.07	\$ 3,978,142.98

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

CLEMENTON SCHOOL DISTRICT
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	\$ 2,821,858.53		\$ 389,240.13		\$ (2,432,618.40)		\$ (2,432,618.40)
Special Education	720,609.51	\$ 87,815.55			(632,793.96)		(632,793.96)
Other Special Instruction	82,410.57				(82,410.57)		(82,410.57)
Other Instruction	36,370.18				(36,370.18)		(36,370.18)
Support Services:							
Tuition	3,363,785.42				(3,363,785.42)		(3,363,785.42)
Student and Instruction Related Services	812,623.24		151,619.36		(661,003.88)		(661,003.88)
Other Administrative Services	314,274.25				(314,274.25)		(314,274.25)
School Administrative Services	377,780.71				(377,780.71)		(377,780.71)
Plant Operations and Maintenance	461,712.18			\$ 97,831.90	(363,880.28)		(363,880.28)
Pupil Transportation	432,337.03				(432,337.03)		(432,337.03)
Personal Services - Employee Benefits	2,023,663.59		661,819.93		(1,361,843.66)		(1,361,843.66)
Transfer of Funds to Charter School	59,369.00				(59,369.00)		(59,369.00)
Interest on Long-Term Debt	40,561.02				(40,561.02)		(40,561.02)
Unallocated Depreciation	29,585.11				(29,585.11)		(29,585.11)
Total Governmental Activities	11,576,940.34	87,815.55	1,202,679.42	97,831.90	(10,188,613.47)	-	(10,188,613.47)
Business-Type Activities:							
Food Service	237,690.00	51,291.50	177,952.77			\$ (8,445.73)	(8,445.73)
Camp Clementon Community Education	77,906.70	71,178.07				(6,728.63)	(6,728.63)
Total Business-Type Activities	315,596.70	122,469.57	177,952.77	-	-	(15,174.36)	(15,174.36)
Total Primary Government	\$ 11,892,537.04	\$ 210,285.12	\$ 1,380,632.19	\$ 97,831.90	(10,188,613.47)	(15,174.36)	(10,203,787.83)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					4,076,653.00		4,076,653.00
Property Taxes, Levied for Debt Service					445,380.01		445,380.01
Federal and State Aid - Unrestricted					6,518,714.99		6,518,714.99
Interest and Investment Earnings - Unrestricted					1.27	1.19	2.46
Interest and Investment Earnings - Restricted					1.15		1.15
Miscellaneous					61,754.93		61,754.93
Loss on Disposal of Capital Asset					(4,805.00)		(4,805.00)
Total General Revenues and Loss on Disposal of Capital Assets					11,097,700.35	1.19	11,097,701.54

(Continued)

CLEMENTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in Net Position					\$ 909,086.88	\$ (15,173.17)	\$ 893,913.71
Net Position, July 1 (Restated)					<u>2,903,920.03</u>	<u>180,309.24</u>	<u>3,084,229.27</u>
Net Position, June 30					<u>\$ 3,813,006.91</u>	<u>\$ 165,136.07</u>	<u>\$ 3,978,142.98</u>

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

FUND FINANCIAL STATEMENTS

CLEMENTON SCHOOL DISTRICT

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>
ASSETS:					
Cash and Cash Equivalents	\$ 1,602,303.61		\$ 990.34	\$ 10,458.00	\$ 1,613,751.95
Interfunds Account Receivable:					
General Fund				653.00	653.00
Special Revenue Fund	69,323.00				69,323.00
Enterprise Fund	2,978.66				2,978.66
Intergovernmental Accounts Receivable:					
Federal	13,288.42	\$ 101,819.73			115,108.15
State	135,613.00		1,349.56		136,962.56
Other Accounts Receivable	7,534.71				7,534.71
Cash and Cash Equivalents - Restricted	719,471.79				719,471.79
Total Assets	\$ 2,550,513.19	\$ 101,819.73	\$ 2,339.90	\$ 11,111.00	\$ 2,665,783.82
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfunds Account Payable:					
General Fund		\$ 69,323.00			\$ 69,323.00
Debt Service Fund	\$ 653.00				653.00
Fiduciary Funds	19,487.51				19,487.51
Accounts Payable	68,312.77	32,002.01			100,314.78
Accrued Wages	212,412.96				212,412.96
Unearned Revenue		9,319.02			9,319.02
Total Liabilities	300,866.24	110,644.03	-	-	411,510.27

(Continued)

CLEMENTON SCHOOL DISTRICT
 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>
LIABILITIES AND FUND BALANCES (CONT'D):					
Fund Balances:					
Restricted:					
Capital Reserve	\$ 919,471.79				\$ 919,471.79
Tuition Reserve	400,000.00				400,000.00
Emergency Reserve	200,000.00				200,000.00
Maintenance Reserve	75,000.00				75,000.00
Excess Surplus	832,026.30				832,026.30
Capital Projects Fund			\$ 2,339.90		2,339.90
Debt Service				\$ 11,111.00	11,111.00
Assigned:					
Other Purposes	18,838.11				18,838.11
For Subsequent Year's Expenditures	92,410.45				92,410.45
Unassigned (Deficit)	<u>(288,099.70)</u>	<u>\$ (8,824.30)</u>			<u>(296,924.00)</u>
Total Fund Balances	<u>2,249,646.95</u>	<u>(8,824.30)</u>	<u>2,339.90</u>	<u>11,111.00</u>	<u>2,254,273.55</u>
Total Liabilities and Fund Balances	<u>\$ 2,550,513.19</u>	<u>\$ 101,819.73</u>	<u>\$ 2,339.90</u>	<u>\$ 11,111.00</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements. The cost of the capital assets is \$10,159,097.00, and the accumulated depreciation is \$5,570,711.00.

4,588,386.00

(Continued)

CLEMENTON SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2015

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

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.	\$ 48,224.00
Loss on refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the fund financial statements.	38,228.12
Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.	(61,429.00)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the fund financial statements.	(5,374.89)
Long-term liabilities, including bonds payable, compensated absences payable, pension liability, and early retirement incentive, are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(3,049,300.87)</u>
Net Position of Governmental Activities	<u><u>\$ 3,813,006.91</u></u>

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

CLEMENTON SCHOOL DISTRICT
 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>
REVENUES:					
Local Tax Levy	\$ 4,076,653.00			\$ 445,380.01	\$ 4,522,033.01
Tuition Charges	87,815.55				87,815.55
Interest Earned on Capital Reserve Funds	1.15				1.15
Unrestricted Miscellaneous Revenues	56,951.20		\$ 4,805.00		61,756.20
Federal Sources	44,500.69	\$ 448,317.80			492,818.49
State Sources	7,176,148.23	92,541.69	97,831.90		7,366,521.82
	<u>11,442,069.82</u>	<u>540,859.49</u>	<u>102,636.90</u>	<u>445,380.01</u>	<u>12,530,946.22</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	2,218,705.34	392,078.44			2,610,783.78
Special Education Instruction	719,759.08				719,759.08
Other Special Instruction	82,410.57				82,410.57
Other Instruction	36,370.18				36,370.18
Support Services and Undistributed Costs:					
Tuition	3,363,785.42				3,363,785.42
Student and Instruction Related Services	661,003.88	151,619.36			812,623.24
Other Administrative Services	284,690.15				284,690.15
School Administrative Services	375,503.91				375,503.91
Plant Operations and Maintenance	429,840.52				429,840.52
Pupil Transportation	432,337.03				432,337.03
Personal Services - Employee Benefits	2,100,538.47				2,100,538.47
Capital Outlay	34,234.00		\$ 149,000.00		183,234.00
Transfer of Funds to Charter Schools	59,369.00				59,369.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 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>
EXPENDITURES (CONT'D):					
Debt Service:					
Principal				\$ 417,000.00	\$ 417,000.00
Interest and Other Charges				28,380.00	28,380.00
Total Expenditures	<u>\$ 10,798,547.55</u>	<u>\$ 543,697.80</u>	<u>\$ 149,000.00</u>	<u>445,380.00</u>	<u>11,936,625.35</u>
Net Change in Fund Balances	643,522.27	(2,838.31)	(46,363.10)	0.01	594,320.87
Fund Balance (Deficit), July 1	<u>1,606,124.68</u>	<u>(5,985.99)</u>	<u>48,703.00</u>	<u>11,110.99</u>	<u>1,659,952.68</u>
Fund Balance (Deficit), June 30	<u>\$ 2,249,646.95</u>	<u>\$ (8,824.30)</u>	<u>\$ 2,339.90</u>	<u>\$ 11,111.00</u>	<u>\$ 2,254,273.55</u>

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

CLEMENTON SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2015

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

Net Change in Fund Balances - Governmental Funds	\$	594,320.87
<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	\$	(295,845.00)
Capital Outlays		183,234.00
		(112,611.00)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(4,805.00)
<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>		
		417,000.00
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences, early retirement incentive, interest on debt, pensions), 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>		
		15,182.01
Change in Net Position of Governmental Activities	\$	909,086.88

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

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Statements of Net Position
June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 42,370.19	\$ 70,462.62
Intergovernmental Accounts Receivable:		
Federal	8,292.41	
State	220.04	
Inventory	<u>3,773.28</u>	
Total Current Assets	<u>54,655.92</u>	<u>70,462.62</u>
Noncurrent Assets:		
Capital Assets:		
Machinery and Equipment	138,030.00	
Less: Accumulated Depreciation	<u>(90,325.00)</u>	
Total Capital Assets (Net of Accumulated Depreciation)	<u>47,705.00</u>	<u>-</u>
Total Noncurrent Assets	<u>47,705.00</u>	<u>-</u>
Total Assets	<u>102,360.92</u>	<u>70,462.62</u>
LIABILITIES:		
Current Liabilities:		
Intergovernmental Accounts Payable:		
General Fund		2,978.66
Unearned Revenue	<u>2,853.81</u>	<u>1,855.00</u>
Total Current Liabilities	<u>2,853.81</u>	<u>4,833.66</u>
Total Liabilities	<u>2,853.81</u>	<u>4,833.66</u>
NET POSITION:		
Net Investment in Capital Assets	47,705.00	
Unrestricted	<u>51,802.11</u>	<u>65,628.96</u>
Total Net Position	<u>\$ 99,507.11</u>	<u>\$ 65,628.96</u>

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

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Statements of Revenues, Expenses, and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 29,327.31	
Daily Sales - Non-Reimbursable Programs	19,184.67	
Special Functions	2,579.52	
Tuition and Fees		\$ 71,178.07
Miscellaneous	200.00	
Total Operating Revenues	<u>51,291.50</u>	<u>71,178.07</u>
OPERATING EXPENSES:		
Food Service Management Company Salaries	78,586.70	
Personnel Services - Salaries	1,134.79	42,415.23
Food Service Management Company Employee Benefits	36,413.54	
Personnel Services - Employee Benefits	87.00	3,244.77
Purchased Property Services	499.00	
Other Purchased Services	18,940.84	1,060.00
Supplies and Materials	6,710.05	31,186.70
Depreciation	7,816.00	
Cost of Sales	87,240.32	
Miscellaneous	261.76	
Total Operating Expenses	<u>237,690.00</u>	<u>77,906.70</u>
Operating Income (Loss)	<u>(186,398.50)</u>	<u>(6,728.63)</u>
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	2,919.06	
Federal Sources:		
National School Breakfast Program	29,560.78	
National School Lunch Program	127,592.14	
Food Distribution Program	17,880.79	
Interest and Investment Revenue		1.19
Total Nonoperating Revenues (Expenses)	<u>177,952.77</u>	<u>1.19</u>
Change in Net Position	(8,445.73)	(6,727.44)
Net Position, July 1	107,952.84	72,356.40
Net Position, June 30	<u>\$ 99,507.11</u>	<u>\$ 65,628.96</u>

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

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Statements of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers and Users	\$ 51,291.50	\$ 75,813.07
Receipts from Interfund Services Provided		2,978.66
Payments to Suppliers	(228,425.67)	(32,246.70)
Payments to Employees	(1,134.79)	(45,182.52)
Payments for Employee Benefits	(251.00)	(3,456.47)
Net Cash Provided by (Used for) Operating Activities	<u>(178,519.96)</u>	<u>(2,093.96)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal Sources	177,065.21	
State Sources	2,876.18	
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>179,941.39</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends		1.19
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>1.19</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,421.43	(2,092.77)
Balances, July 1	40,948.76	72,555.39
Balances, June 30	<u>\$ 42,370.19</u>	<u>\$ 70,462.62</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (186,398.50)	\$ (6,728.63)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	7,816.00	
(Increase) Decrease in Other Accounts Receivable		4,350.00
(Increase) Decrease in Inventories for Consumption	29.05	
(Increase) Decrease in Inventories for Resale	197.49	
Increase (Decrease) in Interfund Accounts Payable	(164.00)	(0.33)
Increase (Decrease) in Unearned Revenue		285.00
Total Adjustments	<u>7,878.54</u>	<u>4,634.67</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (178,519.96)</u>	<u>\$ (2,093.96)</u>

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

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2015

	Private-Purpose Trust Funds			Agency Funds	
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:					
Cash and Cash Equivalents	\$ 70,455.59	\$ 2,190.59	\$ 8,717.39	\$ 23,154.13	\$ 16,958.92
Interfund Accounts Receivable:					
General Fund	<u>19,427.50</u>				<u>60.01</u>
Total Assets	<u>89,883.09</u>	<u>2,190.59</u>	<u>8,717.39</u>	<u>\$ 23,154.13</u>	<u>\$ 17,018.93</u>
LIABILITIES:					
Payable to Student Groups				\$ 23,154.13	
Payroll Deductions and Withholdings					<u>\$ 17,018.93</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 23,154.13</u>	<u>\$ 17,018.93</u>
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 89,883.09</u>	<u>\$ 2,190.59</u>	<u>\$ 8,717.39</u>		

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

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds		
	Unemployment Compensation Trust	Flexible Benefits Trust	Scholarship Fund
ADDITIONS:			
Contributions:			
From Board	\$ 30,000.00		
Other	<u>6,976.55</u>	\$ 12,063.94	
Total Contributions	<u>36,976.55</u>	<u>12,063.94</u>	<u>-</u>
Investment Earnings:			
Interest and Dividends	<u>0.12</u>	<u>0.04</u>	
Net Investment Earnings	<u>0.12</u>	<u>0.04</u>	<u>-</u>
Total Additions	<u>36,976.67</u>	<u>12,063.98</u>	<u>-</u>
DEDUCTIONS:			
Awarded Scholarships Claims	<u>10,572.50</u>	<u>12,065.20</u>	\$ 1,000.00
Total Deductions	<u>10,572.50</u>	<u>12,065.20</u>	<u>1,000.00</u>
Change in Net Position	26,404.17	(1.22)	(1,000.00)
Net Position, July 1	<u>63,478.92</u>	<u>2,191.81</u>	<u>9,717.39</u>
Net Position, June 30	<u>\$ 89,883.09</u>	<u>\$ 2,190.59</u>	<u>\$ 8,717.39</u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through eighth at its one school. Students in grades nine through twelve attend, on a tuition basis, the Pine Hill School District. The School District has an approximate enrollment at June 30, 2015 of 435.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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 School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

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

The School District reports the following major proprietary funds:

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

Camp Clementon Community Education Fund - This fund accounts for the financial activity related to the providing of day care services for students before and after school, and during the summer months.

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

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

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

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

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.

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships, which are awarded annually, to two high school graduating students who will be continuing their post-secondary education in interior design (i.e., computer assisted drawing, drafting, furniture and cabinetry making, architecture, and engineering). Such scholarships are awarded in accordance with the trust requirements.

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

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on exhibits C-1, C-2, and I-3 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 School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

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 School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

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

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

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 School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 Years
Buildings and Building Improvements	5 - 50 Years
Machinery and Equipment	5 - 20 Years

The School District 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 School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

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

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

The School District, however, has accrued wages of \$212,412.96 recorded as a result of an arbitration proceeding regarding the settlement of employment contracts.

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

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

Accrued Liabilities and Long-Term Obligations

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

Pensions

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

Bond Discounts / Premiums

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

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources.

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

Net position is classified into the following three components:

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

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

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 School District 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 School District 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 (\$1,469,139.00), and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities (see note 19).

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 School District in fiscal year 2016. Management has not yet determined the impact of this Statement 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. 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 School District 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 School District 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 School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the financial statements.

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

As of June 30, 2015, the School District's bank balances of \$2,761,035.96 were exposed to custodial credit risk as follows:

Insured under FDIC	\$ 250,000.00
Insured under GUDPA	<u>2,511,035.96</u>
Total	<u><u>\$ 2,761,035.96</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Balance, July 1, 2014	\$ 719,470.64
Increased by:	
Interest Earnings	\$ 1.15
Deposits:	
Board Resolution (June 22, 2015)	<u>200,000.00</u>
	<u>200,001.15</u>
Balance, June 30, 2015	<u><u>\$ 919,471.79</u></u>

The June 30, 2015 LRFP balance of local support costs of uncompleted projects at June 30, 2015 is \$1,453,974.00.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of reimbursements and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 4: ACCOUNTS RECEIVABLE (CONT'D)

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards	\$ 13,288.42	\$ 101,819.73		\$ 115,108.15	\$ 8,292.41	\$ 8,292.41	\$ 123,400.56
State Awards	135,613.00		\$ 1,349.56	136,962.56	220.04	220.04	137,182.60
Other	7,534.71			7,534.71			7,534.71
Totals	<u>\$ 156,436.13</u>	<u>\$ 101,819.73</u>	<u>\$ 1,349.56</u>	<u>\$ 259,605.42</u>	<u>\$ 8,512.45</u>	<u>\$ 8,512.45</u>	<u>\$ 268,117.87</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2015 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 3,432.50
Supplies	340.78
Total Inventory	<u>\$ 3,773.28</u>

Note 6: 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>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 178,131.00				\$ 178,131.00
Construction in Progress	18,005.00		\$ (13,200.00)	\$ (4,805.00)	
Total Capital Assets, not being Depreciated	<u>196,136.00</u>	<u>-</u>	<u>(13,200.00)</u>	<u>(4,805.00)</u>	<u>178,131.00</u>
Capital Assets, being Depreciated:					
Land Improvements	189,287.00				189,287.00
Buildings and Building Improvements	9,077,446.00	\$ 167,009.00	13,200.00		9,257,655.00
Machinery and Equipment	517,799.00	16,225.00			534,024.00
Total Capital Assets, being Depreciated	<u>9,784,532.00</u>	<u>183,234.00</u>	<u>13,200.00</u>	<u>-</u>	<u>9,980,966.00</u>
Total Capital Assets, Cost	<u>9,980,668.00</u>	<u>183,234.00</u>	<u>-</u>	<u>(4,805.00)</u>	<u>10,159,097.00</u>
Less Accumulated Depreciation for:					
Land Improvements	(146,687.00)	(4,474.00)			(151,161.00)
Buildings and Building Improvements	(4,672,912.00)	(277,785.00)			(4,950,697.00)
Machinery and Equipment	(455,267.00)	(13,586.00)			(468,853.00)
Total Accumulated Depreciation	<u>(5,274,866.00)</u>	<u>(295,845.00)</u>	<u>-</u>	<u>-</u>	<u>(5,570,711.00)</u>
Total Capital Assets, being Depreciated, Net	<u>4,509,666.00</u>	<u>(112,611.00)</u>	<u>13,200.00</u>	<u>-</u>	<u>4,410,255.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,705,802.00</u>	<u>\$ (112,611.00)</u>	<u>-</u>	<u>\$ (4,805.00)</u>	<u>\$ 4,588,386.00</u>

Note 6: 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>Transfers</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2015</u>
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	\$ 138,030.00				\$ 138,030.00
Total Capital Assets, being Depreciated	138,030.00	-	-	-	138,030.00
Less Accumulated Depreciation for:					
Machinery and Equipment	(82,509.00)	\$ (7,816.00)			(90,325.00)
Total Accumulated Depreciation	(82,509.00)	(7,816.00)	-	-	(90,325.00)
Total Capital Assets, being Depreciated, Net	55,521.00	(7,816.00)	-	-	47,705.00
Business-Type Activities Capital Assets, Net	<u>\$ 55,521.00</u>	<u>\$ (7,816.00)</u>	<u>-</u>	<u>-</u>	<u>\$ 47,705.00</u>

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

Governmental Activities:

Regular Instruction	\$ 207,091.69
Other Administrative Services	29,584.10
Plant Operations and Maintenance	29,584.10
Unallocated	29,585.11

Total Depreciation Expense - Governmental Activities \$ 295,845.00

Business-Type Activities:

Food Service	\$ 7,816.00
--------------	-------------

Total Depreciation Expense - Business-Type Activities \$ 7,816.00

Note 7: 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>
Governmental Activities:					
Bonds Payable:					
General Serial Bonds	\$ 1,720,000.00		\$ (417,000.00)	\$ 1,303,000.00	\$ 422,000.00
Total Bonds Payable	1,720,000.00	-	(417,000.00)	1,303,000.00	422,000.00
Other Liabilities:					
Early Retirement Incentive	190,676.00		(29,367.00)	161,309.00	29,349.00
Net Pension Liability	1,469,139.00	\$ 2,815.00		1,471,954.00	
Compensated Absences	127,053.90	13,187.13	(27,203.16)	113,037.87	37,416.99
Total Other Liabilities	1,786,868.90	16,002.13	(56,570.16)	1,746,300.87	66,765.99
Governmental Activity Long-Term Liabilities	<u>\$ 3,506,868.90</u>	<u>\$ 16,002.13</u>	<u>\$ (473,570.16)</u>	<u>\$ 3,049,300.87</u>	<u>\$ 488,765.99</u>

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

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

On April 1, 2005, the School District issued \$2,293,000.00 of general serial bonds, at an interest rate of 4.20%, for renovations and improvements to the school building. On May 1, 2013, the School District issued refunding bonds in the amount of \$1,753,000.00, at an interest rate of 1.65%, to advance refund \$1,653,000.00 of the April 1, 2005 general serial bonds. The refunding bonds will mature on April 1, 2018. These bonds also will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 422,000.00	\$ 21,499.50	\$ 443,499.50
2017	432,000.00	14,536.50	446,536.50
2018	449,000.00	7,408.50	456,408.50
Totals	<u>\$ 1,303,000.00</u>	<u>\$ 43,444.50</u>	<u>\$ 1,346,444.50</u>

Bonds payable are generally liquidated by the debt service fund.

Bonds Authorized but not Issued - As of June 30, 2015, the School District had no authorizations to issue additional bonded debt.

Early Retirement Incentive - In accordance with the Lower Camden County Regional High School dissolution agreement, effective July 1, 2001, the Clementon School District assumed liability for its proportionate share of the "Regional High School Early Retirement Incentive Program" permitted by State legislation during 1995 for certain members of the Teachers' Pension and Annuity Fund and the Public Employees Retirement Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1996 to be eligible. The School District is liable for its proportionate share of additional costs under this program. As of June 30, 2015, the School District had an accrued liability of \$161,309.00, payable in annual installments from the general fund, with final liquidation of the liability in fiscal year 2021.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general 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. Refer to note 13 for a description of the School District's policy.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the 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.

Note 8: PENSION PLANS (CONT'D)

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 School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees 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.

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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - 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.

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.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****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 School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.65% of the School District's covered-employee payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 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 School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2015 was 13.26% of the School District'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 School District were \$61,429 for the fiscal year ended June 30, 2015. Employee contributions were \$32,552.04 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 School District'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.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program (Cont'd) - For the fiscal year ended June 30, 2015, employee contributions totaled \$897.60, and the School District recognized pension expense of \$489.60. 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 School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the School District. The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	18,182,444.00
	<u>\$ 18,182,444.00</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 School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District 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 School District recognized \$144,512.00 in revenue and expense, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions.

Public Employees' Retirement System - At June 30, 2015, the School District reported a liability of \$1,471,954.32 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 School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the School District's proportion was .0078618552%, which was an increase of .0001748519% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$80,832.00, in the government-wide financial statements, of pension expense for PERS.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	-
Changes of Assumptions	\$ 46,286.00	-
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments	-	\$ 87,720.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	28,229.00	-
School District Contributions Subsequent to the Measurement Date	<u>61,429.00</u>	<u>-</u>
	<u>\$ 135,944.00</u>	<u>\$ 87,720.00</u>

\$61,429.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

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

<u>Fiscal Year Ending June 30,</u>	<u>PERS</u>
2015	\$ (4,277.54)
2016	(4,277.54)
2017	(4,277.54)
2018	(4,277.54)
2019	2,711.70
Thereafter	<u>1,193.15</u>
	<u>\$ (13,205.33)</u>

Note 8: PENSION PLANS (CONT'D)**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:

	<u>TPAF</u>	<u>PERS</u>
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.

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.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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. 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.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As indicated above, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the School District is \$0 and the State's net pension liability attributable to the School District, 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:

	TPAF		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
School District's Proportionate Share of the Net Pension Liability	-	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 21,868,703.94</u>	<u>\$ 18,182,444.00</u>	<u>\$ 15,116,440.03</u>
	<u>\$ 21,868,703.94</u>	<u>\$ 18,182,444.00</u>	<u>\$ 15,116,440.03</u>

Public Employees' Retirement System (PERS) - The following presents the School District'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 School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 1,851,768.65</u>	<u>\$ 1,471,954.00</u>	<u>\$ 1,153,006.94</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.

Early Retirement Incentive Program

As mentioned in note 7, effective July 1, 2001, the Clementon School District assumed liability for its proportionate share of the "Regional High School Early Retirement Incentive Program" permitted by State legislation during 1995 for certain members of the Teachers' Pension and Annuity Fund and the Public Employees Retirement Fund.

Note 8: PENSION PLANS (CONT'D)**Early Retirement Incentive Program (Cont'd)**

The School District's contributions to each pension plan, equal to the required contribution for each fiscal year, were as follows:

TPAF

<u>Fiscal Year</u>	<u>ERI 1 Liability</u>	<u>ERI 2 Liability</u>	<u>Paid by School District</u>
2015	\$ 13,252.00	\$ 14,797.00	\$ 28,049.00
2014	13,252.00	14,797.00	28,049.00
2013	13,283.00	14,818.00	28,101.00

PERS

<u>Fiscal Year</u>	<u>ERI 1 Liability</u>	<u>ERI 2 Liability</u>	<u>Paid by School District</u>
2015	\$ 607.00	\$ 711.00	\$ 1,318.00
2014	589.00	711.00	1,300.00
2013	567.00	711.00	1,278.00

Note 9: 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 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$184,626.00 and \$293,093.00, respectively.

Note 11: RISK MANAGEMENT

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

Property and Liability Insurance - The School District 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 30,000.00	\$ 6,976.55	\$ 0.12	\$ 10,572.50	\$ 89,883.09
2014	30,000.00	7,182.02	197.89	32,901.83	63,478.92
2013	30,000.00	7,175.48	270.92	28,461.90	59,000.84

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

Building and Contents
General and Automobile Liability
Workers' Compensation
Boiler and Machinery
Crime
Umbrella Liability
Educators Legal Liability
Pollution Liability

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

The Fund provides the School District with the following coverage:

Building and Contents
General and Automobile Liability
Workers' Compensation
Boiler and Machinery
Crime
Umbrella Liability
Educators Legal Liability
Pollution Liability

The Fund publishes its own financial report for the fiscal year ended June 30, 2015, which can be obtained from:

Burlington County Insurance Pool Joint Insurance Fund
Five Greentree Centre, Suite 410
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of four deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrator is The Omni Financial Group.

Note 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2015, the liability for compensated absences reported on the government-wide statement of net position was \$113,037.87.

Note 14: 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	\$ 72,301.66	\$ 20,140.51
Special Revenue		69,323.00
Debt Service	653.00	
Enterprise Funds:		
Camp Clementon Community Education		2,978.66
Fiduciary Funds:		
Unemployment Compensation Trust	19,427.50	
Payroll	60.01	
Totals	<u>\$ 92,442.17</u>	<u>\$ 92,442.17</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 School District 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 15: CONTINGENCIES

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

Note 16: CONCENTRATIONS

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

Note 17: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$288,099.70 in the general fund and \$8,824.30 in the special revenue fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$288,099.70 is less than the June state aid payments.

Note 18: FUND BALANCES**RESTRICTED**

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

General Fund -

For Capital Reserve Account - As of June 30, 2015, the balance in the capital reserve account is \$919,471.79. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). Restricted cash and cash equivalents related to the capital reserve account was \$719,471.79 as of June 30, 2015.

Note 18: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd) -**

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$400,000.00 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2015, \$200,000.00 and \$200,000.00 have been restricted for the contract years 2013-2014 and 2014-2015, respectively.

For Emergency Reserve - As of June 30, 2015, the balance in the emergency reserve is \$200,000.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of this restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

For Maintenance Reserve Account - As of June 30, 2015, the balance in the maintenance reserve account is \$75,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$832,026.30, of which \$346,976.76 was generated during the 2013-2014 fiscal year and will be restricted and designated for utilization in the 2015-2016 fiscal year budget. The remaining amount of \$485,049.54 was generated during the 2014-2015 fiscal year and will be restricted and designated for utilization in the 2016-2017 fiscal year budget.

Capital Projects Fund - On May 13, 2014, a grant agreement with the New Jersey Schools Development Authority in the amount of \$101,388.00 was executed for the partial re-roofing over D wing of the Clementon Elementary School. The total project cost of \$168,096.00 includes the School District's local match of \$66,708.00. As of June 30, 2015, the restricted fund balance amount was \$2,339.90.

Debt Service Fund - As of June 30, 2015, the balance is \$11,111.00. These funds are restricted for future debt service expenditures.

ASSIGNED

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

General Fund -

Other Purposes - As of June 30, 2015, the School District had 18,838.11 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 18: FUND BALANCES (CONT'D)**ASSIGNED (CONT'D)****General Fund (Cont'd) -**

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016 \$92,410.45 of general fund balance at June 30, 2015.

UNASSIGNED

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

General Fund - As of June 30, 2015, the unassigned fund balance of the general fund was a deficit of \$288,099.70. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$288,099.70 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2015, the fund balance of the special revenue fund was a deficit of \$8,824.30, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$8,824.30 is less than the last state aid payment.

Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION

As indicated in note 1 to the financial statements, the School District 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 was required to record the School District's proportionate share of its net pension liability. The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	Governmental Activities
Beginning Net Position as Previously Reported at June 30, 2014	\$ 4,373,059.03
Prior Period Adjustment - Implementation of GASBS No. 68:	
Net Pension Liability (Measurement Date)	\$ (1,469,139.00)
Deferred Outflows - School District's contributions made subsequent to measurement date	64,812.00
Accounts Payable - School District's contributions recorded by pension plan as accounts receivable at June 30, 2014	(64,812.00)
Total Prior Period Adjustment	<u>(1,469,139.00)</u>
Net Position as Restated, July 1, 2014	<u>\$ 2,903,920.03</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 4,077,306.00		\$ 4,077,306.00	\$ 4,076,653.00	\$ (653.00)
Tuition				87,815.55	87,815.55
Interest Earned on Capital Reserve Funds	200.00		200.00	1.15	(198.85)
Unrestricted Miscellaneous Revenues	75,000.00		75,000.00	56,951.20	(18,048.80)
Total - Local Sources	4,152,506.00	-	4,152,506.00	4,221,420.90	68,914.90
Federal Sources:					
Medicaid Reimbursement	9,758.00		9,758.00	44,500.69	34,742.69
Total - Federal Sources	9,758.00	-	9,758.00	44,500.69	34,742.69
State Sources:					
Categorical Special Education Aid	371,383.00		371,383.00	371,383.00	
Equalization Aid	5,785,597.00		5,785,597.00	5,785,597.00	
Categorical Security Aid	135,485.00		135,485.00	135,485.00	
Categorical Transportation Aid	57,738.00		57,738.00	57,738.00	
Extraordinary Aid	55,000.00		55,000.00	110,024.00	55,024.00
Other State Aids:					
Other State Aids - Out of Cap	12,040.00		12,040.00	15,172.00	3,132.00
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				184,626.00	184,626.00
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement					
Medical (non-budgeted)				293,093.00	293,093.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				224,214.93	224,214.93
Total - State Sources	6,417,243.00	-	6,417,243.00	7,177,332.93	760,089.93
Total Revenues	10,579,507.00	-	10,579,507.00	11,443,254.52	863,747.52

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers					
Kindergarten - Salaries of Teachers	\$ 190,112.00		\$ 190,112.00	\$ 190,112.00	
Grades 1-5 - Salaries of Teachers	1,137,702.00	\$ (81,569.57)	1,056,132.43	1,016,396.00	\$ 39,736.43
Grades 6-8 - Salaries of Teachers	809,085.00	(33,334.00)	775,751.00	746,736.11	29,014.89
Regular Programs - Home Instruction:					
Salaries of Teachers	3,400.00	(1,700.00)	1,700.00	1,700.00	
Other Salaries for Instruction	3,400.00	2,599.00	5,999.00	5,999.00	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction		30,559.21	30,559.21	30,513.55	45.66
Purchased Professional - Educational Services	100,813.00	35,633.09	136,446.09	132,944.52	3,501.57
Purchased Technical Services	12,005.00		12,005.00	11,998.53	6.47
Other Purchased Services (400-500 Series)	22,529.00	7,705.42	30,234.42	30,041.01	193.41
General Supplies	60,279.96	1,686.23	61,966.19	60,055.53	1,910.66
Textbooks	10,000.00	174.15	10,174.15	9,966.43	207.72
Total Regular Programs - Instruction	<u>2,349,325.96</u>	<u>(38,246.47)</u>	<u>2,311,079.49</u>	<u>2,236,462.68</u>	<u>74,616.81</u>
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	370,431.00	(21,996.02)	348,434.98	268,434.98	80,000.00
Other Salaries for Instruction		360.00	360.00	270.00	90.00
General Supplies	450.00	225.00	675.00	652.87	22.13
Total Learning and / or Language Disabilities	<u>370,881.00</u>	<u>(21,411.02)</u>	<u>349,469.98</u>	<u>269,357.85</u>	<u>80,112.13</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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):					
Special Education - Instruction (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 221,300.00	\$ 12,445.50	\$ 233,745.50	\$ 233,745.50	
Other Salaries for Instruction		13,000.00	13,000.00	10,315.22	\$ 2,684.78
Purchased Professional - Education Services	125,576.00	(19,281.48)	106,294.52	93,141.18	13,153.34
General Supplies	2,040.18	1,439.00	3,479.18	1,775.34	1,703.84
Total Multiple Disabilities	348,916.18	7,603.02	356,519.20	338,977.24	17,541.96
Resource Room / Resource Center:					
Salaries of Teachers	107,512.00		107,512.00	107,512.00	
Other Salaries for Instruction		11,000.00	11,000.00	1,539.00	9,461.00
General Supplies	150.00		150.00	147.39	2.61
Total Resource Room / Resource Center	107,662.00	11,000.00	118,662.00	109,198.39	9,463.61
Home Instruction:					
Salaries of Teachers	20,000.00		20,000.00	1,800.00	18,200.00
Purchased Professional - Educational Services	5,000.00		5,000.00	425.60	4,574.40
Total Home Instruction	25,000.00	-	25,000.00	2,225.60	22,774.40
Total Special Education - Instruction	852,459.18	(2,808.00)	849,651.18	719,759.08	129,892.10
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	76,946.00	5,464.57	82,410.57	82,410.57	
Total Basic Skills / Remedial - Instruction	76,946.00	5,464.57	82,410.57	82,410.57	-
Bilingual Education - Instruction:					
General Supplies	500.00		500.00		500.00
Total Bilingual Education - Instruction	500.00	-	500.00	-	500.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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):					
School-Sponsored Cocurricular / Extracurricular Activities -					
Instruction:					
Salaries	\$ 11,548.00		\$ 11,548.00	\$ 11,548.00	
Purchased Services (300-500 Series)	585.00		585.00	566.00	\$ 19.00
Supplies and Materials	2,075.00		2,075.00	1,655.95	419.05
	<u>14,208.00</u>	<u>-</u>	<u>14,208.00</u>	<u>13,769.95</u>	<u>438.05</u>
Total School-Sponsored Cocurricular / Extracurricular Activities - Instruction					
	<u>14,208.00</u>	<u>-</u>	<u>14,208.00</u>	<u>13,769.95</u>	<u>438.05</u>
School-Sponsored Athletics - Instruction:					
Salaries	19,543.00		19,543.00	19,543.00	
Purchased Services (300-500 Series)	7,990.00	\$ (284.00)	7,706.00	2,219.00	5,487.00
Supplies and Materials		284.00	284.00	262.99	21.01
Other Objects	2,000.00		2,000.00	575.24	1,424.76
	<u>29,533.00</u>	<u>-</u>	<u>29,533.00</u>	<u>22,600.23</u>	<u>6,932.77</u>
Total School-Sponsored Athletics - Instruction					
	<u>29,533.00</u>	<u>-</u>	<u>29,533.00</u>	<u>22,600.23</u>	<u>6,932.77</u>
Total Instruction					
	<u>3,322,972.14</u>	<u>(35,589.90)</u>	<u>3,287,382.24</u>	<u>3,075,002.51</u>	<u>212,379.73</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	2,128,138.00	12,300.00	2,140,438.00	2,139,372.28	1,065.72
Tuition to Other LEA's Within the State - Special	96,664.00	(24,386.00)	72,278.00	24,575.01	47,702.99
Tuition to County Vocational School District - Regular	184,220.00		184,220.00	183,976.00	244.00
Tuition to CSSD and Regional Day Schools	401,340.00	(12,000.00)	389,340.00	299,661.40	89,678.60
Tuition to Private Schools for the Disabled - Within State	841,413.00	(32,430.15)	808,982.85	654,619.73	154,363.12
Tuition - State Facilities	61,581.00		61,581.00	61,581.00	
	<u>3,713,356.00</u>	<u>(56,516.15)</u>	<u>3,656,839.85</u>	<u>3,363,785.42</u>	<u>293,054.43</u>
Total Undistributed Expenditures - Instruction					

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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 - Attendance and Social Work:					
Salaries	\$ 5,125.00	\$ 333.89	\$ 5,458.89	\$ 5,403.20	\$ 55.69
Purchased Professional and Technical Services	8,640.00	(333.89)	8,306.11	1,750.00	6,556.11
Total Undistributed Expenditures - Attendance and Social Work	13,765.00	-	13,765.00	7,153.20	6,611.80
Undistributed Expenditures - Health Services:					
Salaries	53,382.00	(20,428.00)	32,954.00	32,147.00	807.00
Purchased Professional and Technical Services	8,368.00	23,370.00	31,738.00	31,738.00	
Supplies and Materials	2,116.00		2,116.00	1,573.37	542.63
Total Undistributed Expenditures - Health Services	63,866.00	2,942.00	66,808.00	65,458.37	1,349.63
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	50,200.00		50,200.00	50,200.00	
Purchased Professional - Educational Services	68,000.00	(200.00)	67,800.00	51,000.50	16,799.50
Supplies and Materials	825.22	520.00	1,345.22	1,343.17	2.05
Total Undistributed Expenditures - Other Support Services - Students - Related Services	119,025.22	320.00	119,345.22	102,543.67	16,801.55
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	177,315.00	(11,000.00)	166,315.00	151,587.00	14,728.00
Total Undistributed Expenditures - Other Support Services - Students - Extraordinary Services	177,315.00	(11,000.00)	166,315.00	151,587.00	14,728.00

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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 - Guidance:					
Students - Regular:					
Salaries of Other Professional Staff	\$ 52,122.00		\$ 52,122.00	\$ 52,122.00	
Supplies and Materials	1,353.00		1,353.00	420.68	\$ 932.32
Total Undistributed Expenditures - Guidance	53,475.00	-	53,475.00	52,542.68	932.32
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	104,550.00		104,550.00	103,550.00	1,000.00
Salaries of Secretarial and Clerical Assistants	34,769.00		34,769.00	33,445.80	1,323.20
Purchased Professional - Educational Services	20,200.00	\$ 16,183.70	36,383.70	35,888.44	495.26
Misc Purchased Services (400-500 Series) Other than Residence	800.00		800.00	143.22	656.78
Supplies and Materials	1,951.30	2,281.30	4,232.60	3,776.81	455.79
Total Undistributed Expenditures - Child Study Team	162,270.30	18,465.00	180,735.30	176,804.27	3,931.03
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	24,364.00		24,364.00	24,364.00	
Salaries of Technology Coordinators	71,397.00	(17,898.52)	53,498.48	53,498.48	
Purchased Professional and Technical Services	2,450.00	15,898.52	18,348.52	18,250.50	98.02
Other Purchased Services (400-500 Series)	7,470.00	(11.00)	7,459.00	6,779.27	679.73
Supplies and Materials	1,000.00	11.00	1,011.00	988.44	22.56
Total Undistributed Expenditures - Educational Media Services / School Library	106,681.00	(2,000.00)	104,681.00	103,880.69	800.31

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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 - Instructional Staff Training Services:					
Other Purchased Services (400-500 Series)	\$ 3,750.00		\$ 3,750.00	\$ 1,034.00	\$ 2,716.00
Total Undistributed Expenditures - Instructional Staff Training Services	<u>3,750.00</u>	<u>-</u>	<u>3,750.00</u>	<u>1,034.00</u>	<u>2,716.00</u>
Undistributed Expenditures - Support Services - General Administration:					
Salaries	149,008.00	\$ 163.88	149,171.88	148,966.88	205.00
Legal Services	15,000.00	18,635.39	33,635.39	33,635.39	
Audit Fees	23,244.00	(2,944.00)	20,300.00	20,300.00	
Other Purchased Professional Services	3,000.00	(2,074.00)	926.00	925.50	0.50
Purchased Technical Services	4,850.00	(450.00)	4,400.00	4,400.00	
Undistributed Expenditures - Support Services - General Administration (Cont'd):					
Communications / Telephone	22,435.00	1,623.01	24,058.01	23,682.24	375.77
BOE Other Purchased Services	5,200.00	(529.40)	4,670.60	1,238.50	3,432.10
Miscellaneous Purchased Services (400-500)	13,800.00	(3,424.88)	10,375.12	9,938.70	436.42
General Supplies	500.00		500.00	249.05	250.95
BOE In-House Training / Meeting Supplies	575.00		575.00	169.06	405.94
Miscellaneous Expenditures	5,420.00		5,420.00	5,025.70	394.30
BOE Membership Dues and Fees	8,100.00		8,100.00	6,685.85	1,414.15
Total Undistributed Expenditures - Support Services - General Administration	<u>251,132.00</u>	<u>11,000.00</u>	<u>262,132.00</u>	<u>255,216.87</u>	<u>6,915.13</u>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	129,007.00		129,007.00	129,007.00	
Salaries of Secretarial and Clerical Assistants	51,709.00	599.00	52,308.00	52,308.00	
Supplies and Materials	2,000.00	(599.00)	1,401.00	1,372.30	28.70
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Support Services - School Administration	<u>183,216.00</u>	<u>-</u>	<u>183,216.00</u>	<u>182,687.30</u>	<u>528.70</u>

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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 - Central Services:					
Salaries	\$ 155,272.00		\$ 155,272.00	\$ 155,054.00	\$ 218.00
Purchased Technical Services	37,080.00	\$ (400.00)	36,680.00	34,679.00	2,001.00
Supplies and Materials	1,300.00	(100.00)	1,200.00	1,194.79	5.21
Miscellaneous Expenditures	1,000.00	1,500.00	2,500.00	1,888.82	611.18
Total Undistributed Expenditures - Central Services	194,652.00	1,000.00	195,652.00	192,816.61	2,835.39
Undistributed Expenditures - Administration Information					
Technology:					
Salaries	6,830.00		6,830.00	3,749.99	3,080.01
Supplies and Materials	21,305.00	4,558.00	25,863.00	25,723.29	139.71
Total Undistributed Expenditures - Administration Information Technology	28,135.00	4,558.00	32,693.00	29,473.28	3,219.72
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	35,097.00	173.66	35,270.66	35,200.66	70.00
General Supplies	5,000.00	500.00	5,500.00	5,500.00	
Total Undistributed Expenditures - Required Maintenance for School Facilities	40,097.00	673.66	40,770.66	40,700.66	70.00
Undistributed Expenditures - Custodial Services:					
Salaries	164,854.00		164,854.00	149,472.08	15,381.92
Purchased Professional and Technical Services	166.00		166.00	166.00	
Cleaning, Repair, and Maintenance Services	15,000.00	6,225.00	21,225.00	17,389.71	3,835.29
Rental of Land & Building Other than Lease Purchase Agreement	5,900.00	(5,000.00)	900.00		900.00
Other Purchased Property Services	13,600.00		13,600.00	12,335.50	1,264.50

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services (Cont'd):					
Insurance	\$ 30,000.00		\$ 30,000.00	\$ 27,935.00	\$ 2,065.00
General Supplies	24,350.62	\$ (1,673.66)	22,676.96	19,047.85	3,629.11
Energy (Electricity)	130,000.00		130,000.00	122,069.12	7,930.88
Total Undistributed Expenditures - Custodial Services	383,870.62	(448.66)	383,421.96	348,415.26	35,006.70
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services		900.00	900.00	871.45	28.55
General Supplies		500.00	500.00	24.00	476.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	-	1,400.00	1,400.00	895.45	504.55
Undistributed Expenditures - Security:					
Salaries	21,639.00	(1,988.95)	19,650.05	6,450.00	13,200.05
Total Undistributed Expenditures - Security	21,639.00	(1,988.95)	19,650.05	6,450.00	13,200.05
Total Undistributed Expenditures - Operation and Maintenance of Plant Services					
	445,606.62	(363.95)	445,242.67	396,461.37	48,781.30
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program	20,000.00	(300.00)	19,700.00	15,890.37	3,809.63
Contracted Services - (Other than Between Home and School) - Vendors	17,250.00	(4,700.00)	12,550.00	11,408.34	1,141.66
Contracted Services (Between Home and School) - Joint Agreements	65,000.00	(18,000.00)	47,000.00	46,090.97	909.03
Contracted Services Special Education Students) - Joint Agreements		20,000.00	20,000.00	14,143.40	5,856.60
Contracted Services (Regular Students) - ESCs and CTSA	75,000.00	24,220.00	99,220.00	93,657.86	5,562.14
Contracted Services (Special Education Students) - ESCs and CTSA	378,408.00	(21,220.00)	357,188.00	225,250.59	131,937.41
Contracted Services - Aid in Lieu Payments - Nonpublic Schools	20,000.00		20,000.00	17,375.50	2,624.50
Contracted Services - Aid in Lieu Payments - Charter Schools	1,768.00		1,768.00	1,768.00	
Contracted Services - Aid in Lieu Payments - Choice Schools	6,752.00		6,752.00	6,752.00	
Total Undistributed Expenditures - Student Transportation Services	584,178.00	-	584,178.00	432,337.03	151,840.97

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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):					
Unallocated Benefits - Employee Benefits:					
Group Insurance					
Social Security Contributions	\$ 70,000.00		\$ 70,000.00	\$ 51,114.61	\$ 18,885.39
T.P.A.F. Contributions - ERIP	65,000.00		65,000.00	28,049.00	36,951.00
Other Retirement Contributions - PERS	70,000.00		70,000.00	66,130.00	3,870.00
Unemployment Compensation	30,000.00		30,000.00	30,000.00	
Workmen's Compensation	35,864.00		35,864.00	35,324.00	540.00
Health Benefits	1,131,756.00	\$ (3,644.69)	1,128,111.31	1,108,095.15	20,016.16
Tuition Reimbursements	35,000.00	(13,497.09)	21,502.91	3,500.00	18,002.91
Other Employee Benefits	59,250.00	17,141.78	76,391.78	76,391.78	
Total Unallocated Benefits - Employee Benefits	1,496,870.00	-	1,496,870.00	1,398,604.54	98,265.46
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)				184,626.00	(184,626.00)
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				293,093.00	(293,093.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				224,214.93	(224,214.93)
Total On-Behalf Contributions	-	-	-	701,933.93	(701,933.93)
Total Personal Services - Employee Benefits	1,496,870.00	-	1,496,870.00	2,100,538.47	(603,668.47)
Total Undistributed Expenditures	7,597,293.14	(31,595.10)	7,565,698.04	7,614,320.23	(48,622.19)
Total General Current Expense	10,920,265.28	(67,185.00)	10,853,080.28	10,689,322.74	163,757.54
Capital Outlay:					
Interest Deposit to Capital Reserve	200.00	(200.00)	-	-	-
Equipment:					
Undistributed Expenditures:					
Undistributed Expenditures - Required Maint. for School Fac. Non-Instructional Services	10,000.00	(10,000.00)	33,000.00	14,851.81	18,148.19
Total Equipment	10,000.00	23,000.00	33,000.00	14,851.81	18,148.19

(Continued)

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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):					
Capital Outlay (Cont'd):					
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	\$ 35,004.00		\$ 35,004.00	\$ 35,004.00	
Total Facilities Acquisition and Construction Services	35,004.00	-	35,004.00	35,004.00	-
Total Capital Outlay	45,204.00	\$ 22,800.00	68,004.00	49,855.81	\$ 18,148.19
Transfer of Funds to Charter Schools	19,386.00	44,385.00	63,771.00	59,369.00	4,402.00
Total Expenditures	10,984,855.28	-	10,984,855.28	10,798,547.55	186,307.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	(405,348.28)	-	(405,348.28)	644,706.97	1,050,055.25
Fund Balances, July 1	-	-	-	2,201,195.68	2,201,195.68
Fund Balances, June 30	\$ (405,348.28)	-	\$ (405,348.28)	\$ 2,845,902.65	\$ 3,251,250.93
Recapitulation:					
Restricted:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures				\$ 21,150.00	
Capital Reserve				898,321.79	
Tuition Reserve:					
2013-14 - Designated for Subsequent Year's Expenditures				200,000.00	
2014-15				200,000.00	
Emergency Reserve				200,000.00	
Maintenance Reserve				75,000.00	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				346,976.76	
Current Year				485,049.54	
Assigned:					
Year-End Encumbrances					
Designated for Subsequent Year's Expenditures				18,838.11	
ARRA/SEMI - Designated for Subsequent Year's Expenditures				79,400.24	
ARRA/SEMI - Designated for Subsequent Year's Expenditures				13,010.21	
Unassigned				308,156.00	
				2,845,902.65	
Reconciliation to Governmental Funds Statements (GAAP):					
Fiscal Year 2015 Last State Aid Payments not Recognized on GAAP Basis				(596,255.70)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,249,646.95	

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 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>
REVENUES:					
Federal Sources:					
Title I, Part A	\$ 379,377.98		\$ 379,377.98	\$ 276,973.70	\$ (102,404.28)
Title II, Part A	56,195.29		56,195.29	32,290.51	(23,904.78)
I.D.E.A. Part B, Basic	127,574.00		127,574.00	127,566.00	(8.00)
I.D.E.A. Part B, Preschool	2,933.00		2,933.00	2,933.00	
Race to the Top	8,938.99		8,938.99	8,938.99	
Total - Federal Sources	<u>575,019.26</u>	<u>-</u>	<u>575,019.26</u>	<u>448,702.20</u>	<u>(126,317.06)</u>
State Sources:					
Preschool Education Aid	96,173.00		96,173.00	95,380.00	(793.00)
Total - State Sources	<u>96,173.00</u>	<u>-</u>	<u>96,173.00</u>	<u>95,380.00</u>	<u>(793.00)</u>
Total Revenues	<u>671,192.26</u>	<u>-</u>	<u>671,192.26</u>	<u>544,082.20</u>	<u>(127,110.06)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	220,076.98	\$ (300.00)	219,776.98	207,320.27	12,456.71
Salaries of Other Professional Staff	11,946.00	(390.00)	11,556.00	11,556.00	
Purchased Professional and Technical Services	35,225.00	15,019.82	50,244.82	50,244.82	
Other Purchased Services (400-500 series)	141,844.00	(11,337.00)	130,507.00	130,499.00	8.00
General Supplies	34,533.00	(1,955.41)	32,577.59	28,067.75	4,509.84
Total Instruction	<u>443,624.98</u>	<u>1,037.41</u>	<u>444,662.39</u>	<u>427,687.84</u>	<u>16,974.55</u>
Support Services:					
Salaries	122,698.28		122,698.28	62,475.76	60,222.52
Personnel Services - Employee Benefits	60,082.00	(1,037.41)	59,044.59	51,918.60	7,125.99
Other Purchased Services (400-500 series)	44,787.00		44,787.00	2,000.00	42,787.00
Total Support Services	<u>227,567.28</u>	<u>(1,037.41)</u>	<u>226,529.87</u>	<u>116,394.36</u>	<u>110,135.51</u>
Total Expenditures	<u>671,192.26</u>	<u>-</u>	<u>671,192.26</u>	<u>544,082.20</u>	<u>127,110.06</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 11,443,254.52	\$ 544,082.20
Budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(384.40)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes, and State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,184.70)	(2,838.31)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 11,442,069.82	\$ 540,859.49
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 10,798,547.55	\$ 544,082.20
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(384.40)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 10,798,547.55	\$ 543,697.80

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0078618552%	0.0076870033%
School District's Proportionate Share of the Net Pension Liability	\$ 1,471,954.00	\$ 1,469,139.00
School District's Covered-Employee Payroll	\$ 459,303.00	\$ 463,393.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	320.48%	317.04%
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.

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District'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	\$ 61,429.00	\$ 64,812.00
Contributions in relation to the Contractually Required Contribution	(61,429.00)	(64,812.00)
Contribution Deficiency (Excess)	-	-
School District's Covered-Employee Payroll	\$ 463,393.00	\$ 459,303.00
Contributions as a Percentage of School District's Covered-Employee Payroll	13%	14.11%

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.

CLEMENTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Two Fiscal Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the School District	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-
State's Proportionate Share of the Net Pension Liability associated with the School District	<u>\$ 18,182,444.00</u>	<u>\$ 17,452,316.00</u>
	<u>\$ 18,182,444.00</u>	<u>\$ 17,452,316.00</u>
School District's Covered-Employee Payroll	\$ 3,282,568.00	\$ 3,290,853.00
School District'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	18.05%	18.86%
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.

CLEMENTON SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

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

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

CLEMENTON SCHOOL DISTRICT
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

CLEMENTON SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	<u>No Child Left Behind (N.C.L.B.)</u>						
	<u>Title I, Part A</u>	<u>Title II, Part A, Improving Teacher Quality</u>	<u>I.D.E.A. Part B, Basic</u>	<u>I.D.E.A. Part B, Preschool</u>	<u>Race to the Top</u>	<u>Preschool Education Aid</u>	<u>Total</u>
REVENUES:							
Federal Sources	\$ 276,973.70	\$ 32,290.51	\$ 127,566.00	\$ 2,933.00	\$ 8,938.99		\$ 448,702.20
State Sources						\$ 95,380.00	95,380.00
Total Revenues	276,973.70	32,290.51	127,566.00	2,933.00	8,938.99	95,380.00	544,082.20
EXPENDITURES:							
Instruction:							
Salaries of Teachers	116,463.28	25,884.00			6,267.99	58,705.00	207,320.27
Salaries of Other Professional Staff	11,556.00						11,556.00
Purchased Professional and Technical Services	35,225.00					15,019.82	50,244.82
Other Purchased Services (400-500 series)			127,566.00	2,933.00			130,499.00
General Supplies	26,913.16					1,154.59	28,067.75
Total Instruction	190,157.44	25,884.00	127,566.00	2,933.00	6,267.99	74,879.41	427,687.84
Support Services:							
Salaries	62,475.76						62,475.76
Personnel Services - Employee Benefits	24,340.50	6,406.51			671.00	20,500.59	51,918.60
Other Purchased Services (400-500 series)					2,000.00		2,000.00
Total Support Services	86,816.26	6,406.51	-	-	2,671.00	20,500.59	116,394.36
Total Expenditures	276,973.70	32,290.51	127,566.00	2,933.00	8,938.99	95,380.00	544,082.20
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

CLEMENTON SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budgeted</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 59,798.00	\$ (300.00)	\$ 59,498.00	\$ 58,705.00	\$ 793.00
Other Salaries for Instruction	390.00	(390.00)			
Purchased Professional and Technical Services		15,019.82	15,019.82	15,019.82	
Other Purchased Services (400-500 series)	11,337.00	(11,337.00)			
General Supplies	3,110.00	(1,955.41)	1,154.59	1,154.59	
Total Instruction	<u>74,635.00</u>	<u>1,037.41</u>	<u>75,672.41</u>	<u>74,879.41</u>	<u>793.00</u>
Support Services:					
Personnel Services - Employee Benefits	21,538.00	(1,037.41)	20,500.59	20,500.59	
Total Support Services	<u>21,538.00</u>	<u>(1,037.41)</u>	<u>20,500.59</u>	<u>20,500.59</u>	<u>-</u>
Total Expenditures	<u>\$ 96,173.00</u>	<u>-</u>	<u>\$ 96,173.00</u>	<u>\$ 95,380.00</u>	<u>\$ 793.00</u>

Calculation of Budget and Carryover

Total Revised 2014-15 Preschool Education Aid Allocation	\$ 96,173.00
Add: Actual Preschool Education Aid Carryover (June 30, 2014)	8,819.02
Budgeted Transfer from General Fund 2014-15	-
Canceled Prior Year Encumbrances	500.00
Total Preschool Education Aid Funds Available for 2014-15 Budget	105,492.02
Less: 2014-15 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(96,173.00)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2015	9,319.02
Add: June 30, 2015 Unexpended Preschool Education Aid	793.00
Less: 2014-2015 Commissioner-approved Transfer to General Fund	-
2014-15 Carryover - Preschool Education Aid	<u>\$ 10,112.02</u>
2014-15 Preschool Education Aid Carryover Budgeted in 2015-16	<u>\$ 8,819.02</u>

CAPITAL PROJECTS FUND

CLEMENTON SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2015

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Partial Re-Roofing over D Wing	05/01/14	<u>\$ 168,096.00</u>	<u>\$ 162,200.00</u>	-	<u>\$ 5,896.00</u>
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				<u>\$ 149,000.00</u>	
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)				<u>\$ 149,000.00</u>	

CLEMENTON SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Partial Re-Roofing over D Wing
 From Inception and for the Fiscal Year Ended June 30, 2015

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 97,831.90		\$ 97,831.90	\$ 101,388.00
Local Share - Transfer from General Fund	66,708.00		66,708.00	66,708.00
Total Revenues and Other Financing Sources	164,539.90	-	164,539.90	168,096.00
Expenditures and Other Financing Uses:				
Construction Services	162,200.00		162,200.00	168,096.00
Total Expenditures and Other Financing Uses	162,200.00	-	162,200.00	168,096.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 2,339.90</u>	<u>-</u>	<u>\$ 2,339.90</u>	<u>-</u>

Additional Project Information:	
Project Number	0880-010-13-1001
Grant Date	05/01/14
Bond Authorization Date	-
Bonds Authorized	-
Bonds Issued	-
Original Authorized Cost	168,096.00
Additional Authorized Cost	-
Revised Authorized Cost	168,096.00
Percentage Increase Over Original Authorized Cost	
	-
Percentage Completion	96.49%
Original Target Completion Date	07/16/14
Revised Target Completion Date	01/31/16

PROPRIETARY FUNDS

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 42,370.19	\$ 70,462.62	\$ 112,832.81
Intergovernmental Accounts Receivable:			
Federal	8,292.41		8,292.41
State	220.04		220.04
Inventory	3,773.28		3,773.28
Total Current Assets	<u>54,655.92</u>	<u>70,462.62</u>	<u>125,118.54</u>
Noncurrent Assets:			
Capital Assets:			
Machinery and Equipment	138,030.00		138,030.00
Less: Accumulated Depreciation	(90,325.00)		(90,325.00)
Total Capital Assets (Net of Accumulated Depreciation)	<u>47,705.00</u>	<u>-</u>	<u>47,705.00</u>
Total Noncurrent Assets	<u>47,705.00</u>	<u>-</u>	<u>47,705.00</u>
Total Assets	<u>102,360.92</u>	<u>70,462.62</u>	<u>172,823.54</u>
LIABILITIES:			
Current Liabilities:			
Intergovernmental Accounts Payable:			
General Fund		2,978.66	2,978.66
Unearned Revenue	2,853.81	1,855.00	4,708.81
Total Current Liabilities	<u>2,853.81</u>	<u>4,833.66</u>	<u>7,687.47</u>
Total Liabilities	<u>2,853.81</u>	<u>4,833.66</u>	<u>7,687.47</u>
NET POSITION:			
Net Investment in Capital Assets	47,705.00		47,705.00
Unrestricted	51,802.11	65,628.96	117,431.07
Total Net Position	<u>\$ 99,507.11</u>	<u>\$ 65,628.96</u>	<u>\$ 165,136.07</u>

CLEMENTON SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 29,327.31		\$ 29,327.31
Daily Sales - Non-Reimbursable Programs	19,184.67		19,184.67
Special Functions	2,579.52		2,579.52
Tuition and Fees		\$ 71,178.07	71,178.07
Miscellaneous	200.00		200.00
Total Operating Revenues	51,291.50	71,178.07	122,469.57
OPERATING EXPENSES:			
Food Service Management Company Salaries	78,586.70		78,586.70
Personnel Services - Salaries	1,134.79	42,415.23	43,550.02
Food Service Management Company Employee Benefits	36,413.54		36,413.54
Personnel Services - Employee Benefits	87.00	3,244.77	3,331.77
Purchased Property Services	499.00		499.00
Other Purchased Services	18,940.84	1,060.00	20,000.84
Supplies and Materials	6,710.05	31,186.70	37,896.75
Depreciation	7,816.00		7,816.00
Cost of Sales	87,240.32		87,240.32
Miscellaneous	261.76		261.76
Total Operating Expenses	237,690.00	77,906.70	315,596.70
Operating Income (Loss)	(186,398.50)	(6,728.63)	(193,127.13)
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	2,919.06		2,919.06
Federal Sources:			
National School Breakfast Program	29,560.78		29,560.78
National School Lunch Program	127,592.14		127,592.14
Food Distribution Program	17,880.79		17,880.79
Interest and Investment Revenue		1.19	1.19
Total Nonoperating Revenues (Expenses)	177,952.77	1.19	177,953.96
Change in Net Position	(8,445.73)	(6,727.44)	(15,173.17)
Net Position, July 1	107,952.84	72,356.40	180,309.24
Net Position, June 30	\$ 99,507.11	\$ 65,628.96	\$ 165,136.07

CLEMENTON SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	<u>Food Service</u>	<u>Camp Clementon Community Education</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers and Users	\$ 51,291.50	\$ 75,813.07	\$ 127,104.57
Receipts from Interfund Services Provided		2,978.66	2,978.66
Payments to Suppliers	(228,425.67)	(32,246.70)	(260,672.37)
Payments to Employees	(1,134.79)	(45,182.52)	(46,317.31)
Payments for Employee Benefits	(251.00)	(3,456.47)	(3,707.47)
Net Cash Provided by (Used for) Operating Activities	<u>(178,519.96)</u>	<u>(2,093.96)</u>	<u>(180,613.92)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal Sources	177,065.21		177,065.21
State Sources	2,876.18		2,876.18
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>179,941.39</u>	<u>-</u>	<u>179,941.39</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends Received		1.19	1.19
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>1.19</u>	<u>1.19</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,421.43	(2,092.77)	(671.34)
Cash and Cash Equivalents, July 1	40,948.76	72,555.39	113,504.15
Cash and Cash Equivalents, June 30	<u>\$ 42,370.19</u>	<u>\$ 70,462.62</u>	<u>\$ 112,832.81</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	\$ (186,398.50)	\$ (6,728.63)	\$ (193,127.13)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (Used for) Operating Activities:			
Depreciation	7,816.00		7,816.00
(Increase) Decrease in Other Accounts Receivable		4,350.00	4,350.00
(Increase) Decrease in Inventories for Consumption	29.05		29.05
(Increase) Decrease in Inventories for Resale	197.49		197.49
Increase (Decrease) in Interfund Accounts Payable	(164.00)	(0.33)	(164.33)
Increase (Decrease) in Unearned Revenue		285.00	285.00
Total Adjustments	<u>7,878.54</u>	<u>4,634.67</u>	<u>12,513.21</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (178,519.96)</u>	<u>\$ (2,093.96)</u>	<u>\$ (180,613.92)</u>

FIDUCIARY FUNDS

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	<u>Private-Purpose Trust Funds</u>			<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:						
Cash and Cash Equivalents	\$ 70,455.59	\$ 2,190.59	\$ 8,717.39	\$ 23,154.13	\$ 16,958.92	\$ 121,476.62
Interfund Accounts Receivable: General Fund	<u>19,427.50</u>				<u>60.01</u>	<u>19,487.51</u>
Total Assets	<u>89,883.09</u>	<u>2,190.59</u>	<u>8,717.39</u>	<u>\$ 23,154.13</u>	<u>\$ 17,018.93</u>	<u>140,964.13</u>
LIABILITIES:						
Payable to Student Groups				\$ 23,154.13		23,154.13
Payroll Deductions and Withholdings					\$ 17,018.93	17,018.93
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 23,154.13</u>	<u>\$ 17,018.93</u>	<u>40,173.06</u>
NET POSITION:						
Held in Trust for Unemployment Claims and Other Purposes	<u>89,883.09</u>	<u>2,190.59</u>	<u>8,717.39</u>			<u>100,791.07</u>
Total Net Position	<u>\$ 89,883.09</u>	<u>\$ 2,190.59</u>	<u>\$ 8,717.39</u>			<u>\$ 100,791.07</u>

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2015

	<u>Private-Purpose Trust Funds</u>			<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Fund</u>	
ADDITIONS:				
Contributions:				
From Board	\$ 30,000.00			\$ 30,000.00
Other	6,976.55	\$ 12,063.94		19,040.49
Total Contributions	<u>36,976.55</u>	<u>12,063.94</u>	<u>-</u>	<u>49,040.49</u>
Investment Earnings:				
Interest and Dividends	0.12	0.04		0.16
Net Investment Earnings	<u>0.12</u>	<u>0.04</u>	<u>-</u>	<u>0.16</u>
Total Additions	<u>36,976.67</u>	<u>12,063.98</u>	<u>-</u>	<u>49,040.65</u>
DEDUCTIONS:				
Awarded Scholarships Claims	10,572.50	12,065.20	\$ 1,000.00	1,000.00 22,637.70
Total Deductions	<u>10,572.50</u>	<u>12,065.20</u>	<u>1,000.00</u>	<u>23,637.70</u>
Change in Net Position	26,404.17	(1.22)	(1,000.00)	25,402.95
Net Position, July 1	<u>63,478.92</u>	<u>2,191.81</u>	<u>9,717.39</u>	<u>75,388.12</u>
Net Position, June 30	<u>\$ 89,883.09</u>	<u>\$ 2,190.59</u>	<u>\$ 8,717.39</u>	<u>\$ 100,791.07</u>

CLEMENTON SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015

	<u>Balance June 30, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
Elementary School:				
Clementon Elementary School	<u>\$ 25,367.28</u>	<u>\$ 15,680.86</u>	<u>\$ 17,894.01</u>	<u>\$ 23,154.13</u>
	<u><u>\$ 25,367.28</u></u>	<u><u>\$ 15,680.86</u></u>	<u><u>\$ 17,894.01</u></u>	<u><u>\$ 23,154.13</u></u>

CLEMENTON SCHOOL DISTRICT
 Fiduciary Funds
 Payroll and Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 17,010.41	\$ 4,388,035.93	\$ 4,388,087.42	\$ 16,958.92
Interfund Accounts Receivable				
General Fund		60.01		60.01
Total Assets	<u>\$ 17,010.41</u>	<u>\$ 4,388,095.94</u>	<u>\$ 4,388,087.42</u>	<u>\$ 17,018.93</u>
LIABILITIES:				
Intrafund Accounts Payable:				
Unemployment Compensation Trust		\$ 10,252.66	\$ 10,252.66	
Flexible Benefits Trust		12,063.94	12,063.94	
Interfund Accounts Payable:				
General Fund		1.27	1.27	
Accrued Salaries and Wages		2,325,332.46	2,325,332.46	
Payroll Deductions and Withholdings	\$ 17,010.41	2,040,445.61	2,040,437.09	\$ 17,018.93
Total Liabilities	<u>\$ 17,010.41</u>	<u>\$ 4,388,095.94</u>	<u>\$ 4,388,087.42</u>	<u>\$ 17,018.93</u>

LONG-TERM DEBT

CLEMENTON SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds, Series 2013	05/01/13	\$ 1,753,000.00	04/01/16	\$ 422,000.00	1.65%	\$ 1,720,000.00		\$ 417,000.00	\$ 1,303,000.00
			04/01/17	432,000.00					
			04/01/18	449,000.00					
						<u>\$ 1,720,000.00</u>	<u>-</u>	<u>\$ 417,000.00</u>	<u>\$ 1,303,000.00</u>

CLEMENTON SCHOOL DISTRICT
Debt Service 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>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 444,727.00		\$ 444,727.00	\$ 445,380.01	\$ 653.01
Total - Local Sources	444,727.00	-	444,727.00	445,380.01	653.01
Total Revenues	444,727.00	-	444,727.00	445,380.01	653.01
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	28,380.00		28,380.00	28,380.00	
Redemption of Principal	417,000.00		417,000.00	417,000.00	
Total Regular Debt Service	445,380.00	-	445,380.00	445,380.00	-
Total Expenditures	445,380.00	-	445,380.00	445,380.00	-
Net Change in Fund Balance	(653.00)	-	(653.00)	0.01	653.01
Fund Balance, July 1	-	-	-	11,110.99	11,110.99
Fund Balance, June 30	\$ (653.00)	-	\$ (653.00)	\$ 11,111.00	\$ 11,764.00
Recapitulation:					
Restricted Fund Balance:					
Designated for Subsequent Year's Expenditures (Fiscal Year 2016)				\$ 11,111.00	

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

CLEMENTON SCHOOL DISTRICT
 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
Governmental Activities:										
Net Investment in Capital Assets	\$ 3,323,614.12	\$ 3,037,931.25	\$ 2,913,510.38	\$ 2,880,872.00	\$ 2,908,481.00	\$ 2,654,944.00	\$ 2,175,946.00	\$ 1,870,079.00	\$ 1,903,340.00	\$ 3,162,174.00
Restricted	2,439,948.99	1,801,261.39	1,696,504.64	1,791,768.00	1,278,322.00	1,569,554.00	2,000,616.00	1,950,882.00	1,563,451.00	1,309,150.00
Unrestricted	(1,950,556.20)	(1,935,272.61)	(610,570.45)	(521,393.21)	(688,122.00)	(881,117.00)	(641,971.00)	(501,459.00)	(540,047.00)	(612,515.00)
Total Governmental Activities Net Position	\$ 3,813,006.91	\$ 2,903,920.03	\$ 3,999,444.57	\$ 4,151,246.79	\$ 3,498,681.00	\$ 3,343,381.00	\$ 3,534,591.00	\$ 3,319,502.00	\$ 2,926,744.00	\$ 3,858,809.00
Business-Type Activities:										
Net Investment in Capital Assets	\$ 47,705.00	\$ 55,521.00	\$ 63,407.00	\$ 71,291.00	\$ 79,175.00	\$ 87,061.00	\$ 94,943.00	\$ 94,880.00	\$ 102,761.00	
Unrestricted	117,431.07	124,788.24	109,198.66	86,684.09	95,940.00	85,599.00	66,698.00	31,058.00	42,061.00	\$ 28,699.00
Total Business-Type Activities Net Position	\$ 165,136.07	\$ 180,309.24	\$ 172,605.66	\$ 157,975.09	\$ 175,115.00	\$ 172,660.00	\$ 161,641.00	\$ 125,938.00	\$ 144,822.00	\$ 28,699.00
Government-Wide:										
Net Investment in Capital Assets	\$ 3,371,319.12	\$ 3,093,452.25	\$ 2,976,917.38	\$ 2,952,163.00	\$ 2,987,656.00	\$ 2,742,005.00	\$ 2,270,889.00	\$ 1,964,959.00	\$ 2,006,101.00	\$ 3,162,174.00
Restricted	2,439,948.99	1,801,261.39	1,696,504.64	1,791,768.00	1,278,322.00	1,569,554.00	2,000,616.00	1,950,882.00	1,563,451.00	1,309,150.00
Unrestricted	(1,833,125.13)	(1,810,484.37)	(501,371.79)	(434,709.12)	(592,182.00)	(795,518.00)	(575,273.00)	(470,401.00)	(497,986.00)	(583,816.00)
Total Government-Wide Net Position	\$ 3,978,142.98	\$ 3,084,229.27	\$ 4,172,050.23	\$ 4,309,221.88	\$ 3,673,796.00	\$ 3,516,041.00	\$ 3,696,232.00	\$ 3,445,440.00	\$ 3,071,566.00	\$ 3,887,508.00

* 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.*

CLEMENTON SCHOOL DISTRICT
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	\$ 2,821,858.53	\$ 2,845,950.63	\$ 2,889,736.57	\$ 2,300,491.00	\$ 2,880,613.00	\$ 3,138,592.00	\$ 2,790,857.00	\$ 2,931,980.00	\$ 2,843,399.00	\$ 2,463,594.00
Special Education	720,609.51	653,593.97	633,144.98	1,172,550.00	660,020.00	733,156.00	615,357.00	489,857.00	551,204.00	507,889.00
Other Special Instruction	82,410.57	76,755.00	1,000.00							
Other Instruction	36,370.18	39,002.15	34,531.68	32,534.00	31,908.00	34,720.00	44,588.00	40,202.00	33,355.00	30,710.00
Support Services:										
Tuition	3,363,785.42	3,731,577.35	3,795,588.99	3,709,226.00	3,728,817.00	3,771,456.00	3,552,263.00	3,018,031.00	2,885,197.00	2,905,990.00
Student and Instruction Related Services	812,623.24	782,578.79	806,058.08	830,822.00	842,179.00	865,119.00	776,704.00	784,592.00	633,412.00	682,566.00
Other Administrative Services	314,274.25	283,565.67	386,628.47	465,638.00	482,988.00	506,494.00	499,496.00	599,831.00	525,882.00	440,919.00
School Administrative Services	377,780.71	355,526.98	353,764.89	134,652.00	144,735.00	182,101.00	208,367.00	208,444.00	185,679.00	177,175.00
Plant Operations and Maintenance	461,712.18	519,051.17	517,495.86	437,070.00	466,227.00	470,756.00	874,254.00	533,813.00	519,500.00	432,484.00
Pupil Transportation	432,337.03	575,282.42	442,717.23	321,146.00	382,306.00	398,386.00	392,381.00	376,452.00	333,530.00	422,196.00
Personal Services - Employee Benefits	2,023,663.59	1,894,955.88	1,954,284.45	1,987,590.00	1,885,736.00	1,795,289.00	1,598,871.00	1,623,162.00	1,531,943.00	1,250,273.00
Transfer of Funds to Charter School	59,369.00	19,386.00	34,141.00							
Interest on Long-term Debt	40,561.02	51,735.35	86,173.01	131,850.00	124,126.00	137,813.00	158,189.00	131,122.00	237,479.00	187,756.00
Unallocated Depreciation and Amortization	29,585.11	29,354.50	29,109.40	40,254.00	47,021.00	40,544.00	41,653.00	36,932.00	46,675.00	35,560.00
Total Governmental Activities Expenses	11,576,940.34	11,858,315.86	11,964,374.61	11,563,823.00	11,676,676.00	12,074,426.00	11,552,980.00	10,774,418.00	10,327,255.00	9,537,112.00
Business-Type Activities:										
Food Service	237,690.00	246,356.61	255,227.12	246,040.00	235,821.00	236,857.00	249,731.00	279,538.00	263,099.00	248,747.00
Camp Clementon Community Education	77,906.70	44,167.83	45,508.40	69,873.00	79,399.00	85,355.00	80,943.00	95,526.00	99,991.00	93,519.00
Total Business-Type Activities Expense	315,596.70	290,524.44	300,735.52	315,913.00	315,220.00	322,212.00	330,674.00	375,064.00	363,090.00	342,266.00
Total Government-Wide Expenses	\$ 11,892,537.04	\$ 12,148,840.30	\$ 12,265,110.13	\$ 11,879,736.00	\$ 11,991,896.00	\$ 12,396,638.00	\$ 11,883,654.00	\$ 11,149,482.00	\$ 10,690,345.00	\$ 9,879,378.00
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 87,815.55	\$ 80,870.39	\$ 1,324.00	\$ 12,516.00	\$ 1,300,677.00	\$ 1,330,203.00	\$ 1,225,426.00	\$ 1,979,421.00	\$ 1,892,056.00	\$ 1,649,773.00
Operating Grants and Contributions	1,202,679.42	1,159,245.92	1,274,180.80	1,288,943.00						
Capital Grants and Contributions	97,831.90									
Total Governmental Activities Program Revenues	1,388,326.87	1,240,116.31	1,275,504.80	1,301,459.00	1,300,677.00	1,330,203.00	1,225,426.00	1,979,421.00	1,892,056.00	1,649,773.00
Business-Type Activities:										
Charges for services:										
Food Service	51,291.50	58,527.87	67,379.42	61,727.00	69,567.00	77,298.00	85,475.00	88,704.00	86,871.00	95,302.00
Camp Clementon Community Education	71,178.07	68,476.54	75,654.24	58,153.00	64,603.00	88,156.00	108,461.00	104,696.00	99,668.00	83,557.00
Operating Grants and Contributions	177,952.77	171,000.64	172,113.86	178,613.00	183,026.00	167,560.00	155,275.00	134,057.00	135,807.00	130,042.00
Total Business-Type Activities Program Revenues	300,422.34	298,005.05	315,147.52	298,493.00	317,196.00	333,014.00	349,211.00	327,457.00	322,346.00	308,901.00
Total Government-Wide Program Revenues	\$ 1,688,749.21	\$ 1,538,121.36	\$ 1,590,652.32	\$ 1,599,952.00	\$ 1,617,873.00	\$ 1,663,217.00	\$ 1,574,637.00	\$ 2,306,878.00	\$ 2,214,402.00	\$ 1,958,674.00
Net (Expense) / Revenue:										
Governmental Activities	\$ (10,188,613.47)	\$ (10,618,199.55)	\$ (10,688,869.81)	\$ (10,262,364.00)	\$ (10,375,999.00)	\$ (10,744,223.00)	\$ (10,327,554.00)	\$ (8,794,997.00)	\$ (8,435,199.00)	\$ (7,887,339.00)
Business-Type Activities	(15,174.36)	7,480.61	14,412.00	(17,420.00)	1,976.00	10,802.00	18,537.00	(47,607.00)	(40,744.00)	(33,365.00)
Total Government-Wide Net Expense	\$ (10,203,787.83)	\$ (10,610,718.94)	\$ (10,674,457.81)	\$ (10,279,784.00)	\$ (10,374,023.00)	\$ (10,733,421.00)	\$ (10,309,017.00)	\$ (8,842,604.00)	\$ (8,475,943.00)	\$ (7,920,704.00)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 4,076,653.00	\$ 3,997,359.00	\$ 3,918,979.00	\$ 3,842,137.00	\$ 3,767,070.00	\$ 3,622,183.00	\$ 3,636,393.00	\$ 3,636,393.00	\$ 3,513,423.00	\$ 3,391,494.00
Property Taxes, Levied for Debt Service	445,380.01	328,678.00	335,512.00	289,880.00	330,079.00	328,214.00	253,451.00	253,451.00	248,092.00	273,847.00
Federal and State Aid - Unrestricted	6,518,714.99	6,431,998.98	6,303,600.34	6,522,811.00	6,222,122.00	6,294,023.00	6,023,958.00	4,701,628.00	4,382,239.00	4,371,405.00
Federal and State Aid - Restricted		97,195.50	84,966.42			144,418.00				28,068.00
Interest and Investment Earnings - Unrestricted	1.27	7,243.76	10,695.10	1,396.00	2,877.00	844.00	638.00	26,370.00	52,484.00	91,618.00
Interest and Investment Earnings - Restricted	1.15	1,352.37	1,163.76							
Miscellaneous	56,949.93	127,986.40	82,759.97	169,958.00	209,151.00	163,331.00	318,015.00	597,619.00	629,850.00	277,806.00
Reclassification of Construction in Progress									(1,278,989.00)	
Special Items:										
Gain (Loss) on Disposal of Capital Assets	(4,805.00)			(79,175.00)			(8,899.00)	(27,706.00)	(43,965.00)	(5,000.00)
Transfers										
Total Governmental Activities	11,092,895.35	10,991,814.01	10,737,676.59	10,747,007.00	10,531,299.00	10,553,013.00	10,223,556.00	9,187,755.00	7,503,134.00	8,429,238.00

CLEMENTON SCHOOL DISTRICT
 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
(Continued)										
General Revenues and Other Changes in Net Position (Cont'd):										
Business-Type Activities:										
Interest and Investment Earnings - Unrestricted	\$ 1.19	\$ 222.97	\$ 218.57	\$ 278.00	\$ 479.00	\$ 217.00	\$ 317.00	\$ 1,017.00	\$ 2,122.00	\$ 2,447.00
Reclassification of Construction in Progress									110,780.00	
Transfers							8,899.00	27,706.00	43,965.00	5,000.00
Total Business-Type Activities	<u>1.19</u>	<u>222.97</u>	<u>218.57</u>	<u>278.00</u>	<u>479.00</u>	<u>217.00</u>	<u>9,216.00</u>	<u>28,723.00</u>	<u>156,867.00</u>	<u>7,447.00</u>
Total Government-Wide	<u>\$ 11,092,896.54</u>	<u>\$ 10,992,036.98</u>	<u>\$ 10,737,895.16</u>	<u>\$ 10,747,285.00</u>	<u>\$ 10,531,778.00</u>	<u>\$ 10,553,230.00</u>	<u>\$ 10,232,772.00</u>	<u>\$ 9,216,478.00</u>	<u>\$ 7,660,001.00</u>	<u>\$ 8,436,685.00</u>
Change in Net Position:										
Governmental Activities	\$ 904,281.88	\$ 373,614.46	\$ 48,806.78	\$ 484,643.00	\$ 155,300.00	\$ (191,210.00)	\$ (103,998.00)	\$ 392,758.00	\$ (932,065.00)	\$ 541,899.00
Business-Type Activities	(15,173.17)	7,703.58	14,630.57	(17,142.00)	2,455.00	11,019.00	27,753.00	(18,884.00)	116,123.00	(25,918.00)
Total Government-Wide	<u>\$ 889,108.71</u>	<u>\$ 381,318.04</u>	<u>\$ 63,437.35</u>	<u>\$ 467,501.00</u>	<u>\$ 157,755.00</u>	<u>\$ (180,191.00)</u>	<u>\$ (76,245.00)</u>	<u>\$ 373,874.00</u>	<u>\$ (815,942.00)</u>	<u>\$ 515,981.00</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.

CLEMENTON SCHOOL DISTRICT
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:										
Restricted	\$ 2,426,498.09	\$ 1,741,447.40	\$ 1,686,744.27	\$ 1,410,581.00	\$ 824,913.00	\$ 389,681.00	\$ 1,124,611.00	\$ 840,949.00	\$ 511,697.00	\$ 111,526.00
Assigned	111,248.56	205,348.28	109,771.39	372,080.00	401,491.00	899,919.00	511,029.00	164,246.00	438,295.00	545,524.00
Unassigned	(288,099.70)	(340,671.00)	(341,800.43)	(316,459.90)	(181,792.00)	(337,284.00)	(148,714.00)	279,719.00	86,492.00	(46,974.00)
Total General Fund	\$ 2,249,646.95	\$ 1,606,124.68	\$ 1,454,715.23	\$ 1,466,201.10	\$ 1,044,612.00	\$ 952,316.00	\$ 1,486,926.00	\$ 1,284,914.00	\$ 1,036,484.00	\$ 610,076.00
All Other Governmental Funds:										
Restricted	\$ 13,450.90	\$ 59,813.99	\$ 9,760.37	\$ 9,107.11	\$ 51,918.00	\$ 289,258.00	\$ 364,976.00	\$ 732,380.00	\$ 613,459.00	\$ 652,100.00
Unassigned	(8,824.30)	(5,985.99)	(6,216.49)		(12,541.00)	(9,304.00)		(31,637.00)	(24,912.00)	(13,825.00)
Total All Other Governmental Funds	\$ 4,626.60	\$ 53,828.00	\$ 3,543.88	\$ 9,107.11	\$ 39,377.00	\$ 279,954.00	\$ 364,976.00	\$ 700,743.00	\$ 588,547.00	\$ 638,275.00

Source: Comprehensive Annual Financial Report Exhibit B-1.

CLEMENTON SCHOOL DISTRICT
 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
Revenues:										
Local Tax Levy	\$ 4,522,033.01	\$ 4,326,037.00	\$ 4,254,491.00	\$ 4,132,017.00	\$ 4,097,149.00	\$ 3,950,397.00	\$ 3,889,844.00	\$ 3,889,844.00	\$ 3,761,515.00	\$ 3,665,341.00
Tuition Charges	87,815.55	80,870.39	1,324.00	12,516.00	85,115.00	99,547.00				
Interest Earned on Capital Reserve Funds	1.15	1,352.37	1,163.76							
Interest Earnings				1,396.00	2,877.00	844.00	638.00	26,370.00	52,484.00	91,618.00
Textbook Sales and Rentals			93,455.07							
Unrestricted Miscellaneous Revenues	61,756.20	135,230.16	428,749.49	169,958.00	124,036.00	63,784.00	318,015.00	597,619.00	629,850.00	272,806.00
Federal Sources	492,818.49	478,774.54	7,233,998.07	756,140.00	546,329.00	1,642,238.00	465,739.00	479,997.00	442,763.00	543,146.00
State Sources	7,366,521.82	7,209,665.86		7,055,614.00	6,976,470.00	6,126,406.00	6,785,025.00	6,201,052.00	5,831,532.00	5,506,100.00
Total Revenue	12,530,946.22	12,231,930.32	12,013,181.39	12,127,641.00	11,831,976.00	11,883,216.00	11,459,261.00	11,194,882.00	10,718,144.00	10,079,011.00
Expenditures:										
Current:										
Instruction:										
Regular Instruction	2,610,783.78	2,639,611.93	2,684,144.72	2,160,009.00	2,653,458.00	2,856,292.00	2,563,377.00	2,718,088.00	2,603,700.00	2,369,140.00
Special Education Instruction	719,759.08	650,525.95	636,778.17	1,172,550.00	660,020.00	733,156.00	615,357.00	489,857.00	551,204.00	507,889.00
Other Special Instruction	82,410.57	76,755.00	1,000.00							
Other Instruction	36,370.18	39,002.15	34,531.68	32,534.00	31,908.00	34,720.00	44,588.00	40,202.00	33,355.00	30,710.00
Support Services and Undistributed Costs:										
Tuition	3,363,785.42	3,731,577.35	3,795,588.99	3,709,226.00	3,728,817.00	3,771,456.00	3,552,263.00	3,018,031.00	2,885,197.00	2,905,990.00
Student and Instruction Related Services	812,623.24	782,578.79	806,058.08	830,822.00	842,179.00	865,119.00	776,704.00	784,592.00	633,412.00	682,566.00
Other Administrative Services	284,690.15	254,212.17	308,725.07	436,235.00	446,815.00	476,800.00	468,692.00	567,923.00	493,391.00	419,544.00
School Administrative Services	375,503.91	355,526.98	353,764.89	134,652.00	144,735.00	182,101.00	208,367.00	208,444.00	185,679.00	177,175.00
Plant Operations and Maintenance	429,840.52	442,831.69	455,390.30	407,667.00	405,861.00	441,062.00	502,179.00	487,939.00	434,288.00	438,878.00
Pupil Transportation	432,337.03	575,282.42	442,717.23	321,146.00	382,306.00	398,386.00	392,381.00	376,452.00	333,530.00	422,196.00
Personal Services - Employee Benefits	2,100,538.47	1,942,363.16	2,017,492.46	2,016,030.00	1,915,406.00	1,824,939.00	1,628,502.00	1,623,162.00	1,561,538.00	1,279,851.00
Capital Outlay	183,234.00	85,108.00	45,693.16	37,473.00	319,457.00	465,939.00	384,707.00	43,973.00	81,588.00	77,892.00
Transfer of Funds to Charter Schools	59,369.00	19,386.00	34,141.00	32,686.00						
Debt Service:										
Principal	417,000.00	393,000.00	345,000.00	330,000.00	320,000.00	310,000.00	290,000.00	280,000.00	255,000.00	223,000.00
Interest and Other Charges	28,380.00	42,475.16	100,857.50	115,292.00	129,295.00	142,878.00	155,620.00	167,887.00	245,617.00	191,833.00
Total Expenditures	11,936,625.35	12,030,236.75	12,061,883.25	11,736,322.00	11,980,257.00	12,502,848.00	11,582,737.00	10,806,550.00	10,297,499.00	9,726,664.00
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	594,320.87	201,693.57	(48,701.86)	391,319.00	(148,281.00)	(619,632.00)	(123,476.00)	388,332.00	420,645.00	352,347.00
Other Financing Sources (Uses):										
State Aid Cancelled							(1,380.00)			
Proceeds of Refunding Bonds			1,753,000.00							
Payment to Refunded Bond Escrow Agent			(1,721,347.24)							
Transfers In		66,708.00		9,126.00	570.00	145,996.00	3,865.00	24,426.00	49,939.00	91,608.00
Transfers Outs		(66,708.00)		(9,126.00)	(570.00)	(145,996.00)	(12,764.00)	(52,132.00)	(93,904.00)	(91,608.00)
Total Other Financing Sources (Uses)	-	-	31,652.76	-	-	-	(10,279.00)	(27,706.00)	(43,965.00)	-
Net Change in Fund Balances	\$ 594,320.87	\$ 201,693.57	\$ (17,049.10)	\$ 391,319.00	\$ (148,281.00)	\$ (619,632.00)	\$ (133,755.00)	\$ 360,626.00	\$ 376,680.00	\$ 352,347.00
Debt Service as a Percentage of										
Noncapital Expenditures	3.8%	3.6%	3.7%	3.8%	3.9%	3.8%	4.0%	4.2%	4.9%	4.3%

Source: Comprehensive Annual Financial Report Exhibit B-2.

CLEMENTON SCHOOL DISTRICT
 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>
Book Fine	\$ 109.00									
BPU Contribution								\$ 151,031.00		
Dissolution Asset Settlement							\$ 188,710.00	281,683.00	\$ 488,927.00	\$ 239,640.00
E-Rate Reimbursements	12,368.09	\$ 15,590.62	\$ 21,053.94	\$ 21,450.00	\$ 3,977.00		521.00	7,933.00	4,252.00	
Insurance Reimbursements / Surplus	7,227.00		6,170.00					90,000.00		
Interest on Investments	1.27	7,243.76	10,695.10	15,816.00	21,807.00	\$ 9,242.00	19,191.00	70,259.00	106,969.00	123,018.00
Miscellaneous	225.50	1,818.79	3,231.08	13,412.00	4,342.00		9,333.00	11,887.00		6.00
Refunds	9,981.44	1,829.08	6,494.28	35,001.00	50,547.00	5,278.00	9,895.00		82,186.00	1,760.00
Rent			4,400.00							
Refund of Prior Year's Expenditures	5,000.00	36,173.81	14,370.67							
Solar Renewable Energy Credits	22,038.90	26,462.50	27,040.00	85,675.00	46,240.00	50,108.00	24,660.00			
Tuition		46,111.60		12,516.00	85,115.00	99,547.00	66,343.00	11,196.00		
	<u>\$ 56,951.20</u>	<u>\$ 135,230.16</u>	<u>\$ 93,455.07</u>	<u>\$ 183,870.00</u>	<u>\$ 212,028.00</u>	<u>\$ 164,175.00</u>	<u>\$ 318,653.00</u>	<u>\$ 623,989.00</u>	<u>\$ 682,334.00</u>	<u>\$ 364,424.00</u>

Source: School District records.

REVENUE CAPACITY INFORMATION

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

CLEMENTON SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Qfarm	Commercial	Apartment	Total Assessed Value	Public Utilities ⁽¹⁾	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ⁽²⁾
2015	\$ 4,691,700.00	\$ 219,444,600.00	\$ 179,500.00	\$ 6,000.00	\$ 41,939,500.00	\$ 14,435,000.00	\$ 280,696,300.00	-	\$ 280,696,300.00	\$ 37,092,300.00	\$ 238,590,125.00	\$ 1.616
2014	4,922,100.00	223,676,400.00	179,500.00	6,000.00	42,682,500.00	14,619,800.00	286,086,300.00	-	286,086,300.00	37,099,100.00	269,191,207.76	1.546
2013	4,505,400.00	224,319,000.00	179,500.00	6,000.00	44,053,800.00	14,619,800.00	287,683,500.00	\$ 495,251.00	288,178,751.00	38,090,800.00	281,392,416.00	1.488
2012	4,490,900.00	225,130,300.00	179,500.00	6,000.00	44,091,900.00	14,619,800.00	288,518,400.00	530,077.00	289,048,477.00	37,487,500.00	278,685,548.00	1.450
2011 ^(f)	4,478,000.00	225,381,800.00	179,500.00	6,000.00	44,198,200.00	14,619,800.00	288,863,300.00	552,147.00	289,415,447.00	37,683,100.00	291,064,564.00	1.421
2010	3,054,000.00	136,021,730.00	103,100.00	3,600.00	25,652,300.00	7,536,100.00	172,370,830.00	392,444.00	172,763,274.00	25,792,800.00	297,371,722.00	2.329
2009	3,074,300.00	135,825,680.00	103,100.00	3,600.00	25,652,300.00	7,536,100.00	172,195,080.00	413,095.00	172,608,175.00	25,694,500.00	291,476,778.00	2.271
2008	3,178,100.00	135,158,580.00	103,100.00	3,600.00	25,941,900.00	7,536,100.00	171,921,380.00	395,118.00	172,316,498.00	25,178,700.00	285,845,128.00	2.257
2007	3,227,600.00	134,331,980.00	103,100.00	3,600.00	26,063,300.00	7,536,100.00	171,265,680.00	408,926.00	171,674,606.00	25,178,700.00	263,432,500.00	2.228
2006	3,159,300.00	133,439,430.00	103,100.00	3,600.00	26,739,900.00	7,536,100.00	170,981,430.00	450,503.00	171,431,933.00	24,864,200.00	220,237,369.00	2.166

^(f) revaluation

⁽¹⁾ taxable value of communication equipment.

⁽²⁾ tax rates are per \$100.00 of assessed valuation.

Source: Camden County Board of Taxation.

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

Year Ended <u>Dec. 31</u>	<u>School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Borough of Clementon</u>	<u>Camden County</u>	
2015	\$ 1.458	\$ 0.158	\$ 1.616	\$ 1.279	\$ 0.745	\$ 3.640
2014	1.411	0.135	1.546	1.263	0.803	3.612
2013	1.374	0.115	1.488	1.194	0.814	3.496
2012	1.343	0.108	1.450	1.152	0.744	3.346
2011 ^(r)	1.315	0.106	1.421	1.101	0.717	3.239
2010	2.139	0.191	2.329	1.724	1.121	5.174
2009	2.103	0.168	2.271	1.646	1.048	4.965
2008	2.110	0.147	2.257	1.572	1.054	4.883
2007	2.082	0.146	2.228	1.522	1.079	4.829
2006	2.014	0.152	2.166	1.283	1.041	4.490

^(r) revaluation

Source: Municipal Tax Collector.

CLEMENTON SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2015			2006		
	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	Rank	<u>% of Total District Net Assessed Value</u>
Clementon Lake Holding LLC	\$ 8,514,300.00	1	3.03%	\$ 3,369,500.00	1	1.97%
Silver Lake Manor LLC	7,041,800.00	2	2.51%	2,615,300.00	2	1.53%
Medici LLC	3,829,700.00	3	1.36%			
Chestnut Arm Realty LLC	3,826,900.00	4	1.36%	1,785,000.00	4	1.04%
First Northern Star	2,608,100.00	5	0.93%	1,100,000.00	7	0.64%
Clementon Equities LLC	2,062,900.00	6	0.73%	1,200,000.00	6	0.70%
Daniel G. Kamin White Horse Pike LLC	1,995,000.00	7	0.71%			
Three-B Sac Self Storage Limited	1,800,400.00	8	0.64%			
Clementon Norse LLC	1,500,000.00	9	0.53%			
Mt. Carmel Land Co.	681,000.00	10	0.24%			
Connecticut Yankee Real Estate				2,098,800.00	3	1.22%
Rite Aid Corporation				1,002,000.00	8	0.58%
Dionysius				875,500.00	9	0.51%
Two Sac Self Storage				1,350,000.00	5	0.79%
222 Orange Holdings LLC				868,000.00	10	0.51%
Total	\$ 33,860,100.00		12.06%	\$ 16,264,100.00		9.49%

Source: Municipal Tax Assessor.

CLEMENTON SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the <u>the Levy</u> ⁽¹⁾		Collections in <u>Subsequent Years</u>
		<u>Amount</u>	Percentage <u>of Levy</u>	
2015	\$ 4,522,033.01	\$ 4,522,033.01	100.00%	
2014	4,326,037.00	3,965,533.88	91.67%	\$ 360,503.12
2013	4,254,491.00	3,899,950.09	91.67%	354,540.91
2012	4,132,017.00	3,443,347.50	83.33%	688,669.50
2011	4,097,149.00	4,097,149.00	100.00%	
2010	3,950,397.00	3,950,397.00	100.00%	
2009	3,889,844.00	3,889,844.00	100.00%	
2008	3,889,844.00	3,889,844.00	100.00%	
2007	3,761,515.00	3,761,515.00	100.00%	
2006	3,665,341.00	3,665,341.00	100.00%	

⁽¹⁾ School District taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted or certified prior to the end of the school year.

Source: School District records.

DEBT CAPACITY INFORMATION

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>			Total <u>School District</u>	Percentage of Personal <u>Income</u> ⁽³⁾	<u>Per Capita</u> ⁽⁴⁾
	<u>General Obligation Bonds</u> ⁽¹⁾	<u>Capital Leases</u> ⁽¹⁾	<u>Business-Type Activities</u> ⁽²⁾			
2015	\$ 1,303,000.00	-	-	\$ 1,303,000.00	*	*
2014	1,720,000.00	-	-	1,720,000.00	*	\$ 348.18
2013	2,113,000.00	-	-	2,113,000.00	0.93%	425.41
2012	2,358,000.00	-	-	2,358,000.00	1.05%	472.83
2011	2,688,000.00	-	-	2,688,000.00	1.22%	538.46
2010	3,008,000.00	-	-	3,008,000.00	1.43%	602.20
2009	3,318,000.00	-	-	3,318,000.00	1.61%	678.25
2008	3,608,000.00	\$ 31,193.00	-	3,639,193.00	1.77%	743.45
2007	3,888,000.00	61,201.00	-	3,949,201.00	1.97%	802.85
2006	4,143,000.00	90,068.00	-	4,233,068.00	2.18%	860.20

Sources:

⁽¹⁾ *School District records.*

⁽²⁾ *No outstanding debt exists for business-type activities.*

⁽³⁾ *Personal income has been estimated based upon the municipal population and per capita.*

⁽⁴⁾ *Per Capita calculation based upon population information provided by the New Jersey Department of Labor and Workforce Development.*

* *information not available.*

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

Fiscal Year Ended <u>June 30.</u>	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation <u>Taxable</u> ⁽²⁾	<u>Per Capita</u> ⁽³⁾
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt Outstanding ⁽¹⁾		
2015	\$ 1,303,000.00		\$ 1,303,000.00	0.46%	*
2014	1,720,000.00	-	1,720,000.00	0.60%	348.18
2013	2,113,000.00	-	2,113,000.00	0.73%	425.41
2012	2,358,000.00	-	2,358,000.00	0.82%	472.83
2011	2,688,000.00	-	2,688,000.00	0.93%	538.46
2010	3,008,000.00	-	3,008,000.00	1.74%	602.20
2009	3,318,000.00	-	3,318,000.00	1.92%	678.25
2008	3,608,000.00	-	3,608,000.00	2.09%	737.08
2007	3,888,000.00	-	3,888,000.00	2.26%	790.40
2006	4,143,000.00	-	4,143,000.00	2.42%	841.90

Sources:

⁽¹⁾ School District records.

⁽²⁾ Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation.

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

* information not available.

CLEMENTON SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2014
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Clementon Borough</u>
Municipal Debt: ⁽¹⁾				
Clementon School District	\$ 1,720,000.00	\$ 1,720,000.00		
Self-Liquidating Purposes	1,751,612.09	1,751,612.09		
Municipal / County General Obligations	<u>5,125,510.52</u>	<u>449,193.41</u>	<u>\$ 4,676,317.11</u>	<u>\$ 4,676,317.11</u>
	<u>8,597,122.61</u>	<u>3,920,805.50</u>	<u>4,676,317.11</u>	<u>4,676,317.11</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: ⁽²⁾				
General:				
Bonds	39,300,000.00	15,276,822.40 ⁽³⁾	24,023,177.60	186,586.37 ⁽⁵⁾
Loan Agreements	222,633,219.63		222,633,219.63	1,729,176.88 ⁽⁵⁾
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>675,337,693.61</u>	<u>675,337,693.61</u> ⁽⁴⁾		
	<u>937,270,913.24</u>	<u>690,614,516.01</u>	<u>246,656,397.23</u>	<u>1,915,763.24</u>
	<u>\$ 945,868,035.85</u>	<u>\$ 694,535,321.51</u>	<u>\$ 251,332,714.34</u>	<u>\$ 6,592,080.35</u>

Sources:

⁽¹⁾ 2014 Annual Debt Statement - Clementon Borough

⁽²⁾ County of Camden

⁽³⁾ includes reserve for payment of bonds, other accounts receivable, and general obligation pension refunding bonds

⁽⁴⁾ deductible in accordance with N.J.S. 40:37A-80

⁽⁵⁾ Such debt is allocated as a proportion of the Borough's share of the total 2014 Equalized Value, which is .78%.
 The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

CLEMENTON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Calendar Year 2014:

Equalized Valuation Basis: ⁽¹⁾

2014	\$	242,179,209.00
2013		269,644,297.00
2012		<u>280,632,623.00</u>
	[A] \$	<u>792,456,129.00</u>
Average equalized valuation of taxable property	[A/3] \$	264,152,043.00
Debt limit (4% of average equalization value) ⁽²⁾	[B]	10,566,081.72
Total Net Debt Applicable to Limit	[C]	<u>1,720,000.00</u>
Legal Debt Margin	[B-C] \$	<u>8,846,081.72</u>

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit	\$ 8,846,081.72	\$ 9,314,712.49	\$ 9,188,457.77	\$ 8,623,877.00	\$ 8,743,937.00	\$ 8,679,209.00	\$ 8,340,294.00	\$ 7,628,329.00	\$ 6,747,276.00	\$ 5,999,965.00
Total net debt applicable to limit ⁽³⁾	<u>1,720,000.00</u>	<u>1,720,000.00</u>	<u>2,113,000.00</u>	<u>2,358,000.00</u>	<u>2,688,000.00</u>	<u>3,008,000.00</u>	<u>3,318,000.00</u>	<u>3,608,000.00</u>	<u>3,888,000.00</u>	<u>4,143,000.00</u>
Legal debt margin	<u>\$ 7,126,081.72</u>	<u>\$ 7,594,712.49</u>	<u>\$ 7,075,457.77</u>	<u>\$ 6,265,877.00</u>	<u>\$ 6,055,937.00</u>	<u>\$ 5,671,209.00</u>	<u>\$ 5,022,294.00</u>	<u>\$ 4,020,329.00</u>	<u>\$ 2,859,276.00</u>	<u>\$ 1,856,965.00</u>
Total net debt applicable to the limit as a percentage of debt limit	19.44%	18.47%	23.00%	27.34%	30.74%	34.66%	39.78%	47.30%	57.62%	69.05%

Sources:

⁽¹⁾ 2014 Annual Debt Statement - Clementon Borough

⁽²⁾ Limit set by N.J.S.A. 18A:24-19 for a K through 12 district.

⁽³⁾ School District records.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

CLEMENTON SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Population</u> ⁽¹⁾		<u>Personal Income</u> ⁽²⁾		<u>Per Capita Personal Income</u> ⁽³⁾		<u>Unemployment Rate</u> ⁽⁴⁾
2014	4,940		*		*		10.3%
2013	4,967	\$	226,217,048.00		\$	45,544.00	9.0%
2012	4,987		224,729,181.00			45,063.00	17.3%
2011	4,992		220,791,168.00			44,229.00	17.1%
2010	4,995		210,938,850.00			42,230.00	17.4%
2009	4,892		205,640,112.00			42,036.00	16.6%
2008	4,895		205,864,120.00			42,056.00	10.9%
2007	4,919		200,685,362.00			40,798.00	8.3%
2006	4,921		193,759,454.00			39,374.00	9.1%
2005	4,925		183,022,850.00			37,162.00	8.0%

Sources:

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

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

⁽³⁾ *Regional Economic Information System, Bureau of Economic Analysis, November 2014.*

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

* *information not available.*

CLEMENTON SCHOOL DISTRICT
 Principal Non-Governmental Employers
 Current Year and Nine Years Ago
Unaudited

	2015			2006		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>

Source: Individual employers.

Information regarding the ten principal non-governmental employers for 2015 and 2006 could not be accumulated by the School District as a result of not having a source from which to obtain such information.

OPERATING INFORMATION

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

CLEMENTON SCHOOL DISTRICT
 Full-Time Equivalent District 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:										
Regular Instruction	49	48	49	49	50	52	51	50	50	50
Support Services:										
Student and Instruction Related Services	15	17	18	18	18	15	18	19	20	20
School Administrative Services	3	3	3	3	3	3	4	4	4	4
General and Business Administrative Services	6	6	5	5	6	6	6	6	5	6
Plant Operations and Maintenance	4	4	4	4	3	4	4	4	4	4
Food Service								1	1	1
Camp Clementon Community Education	6	6	6	8	12	12	11	11	11	8
Total	83	84	85	87	92	92	94	95	95	93

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures *</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (Certified)</u>	<u>Pupil / Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	435	\$ 11,248,642.35	\$ 25,858.95	2.85%	49	1:12	433.3	409.2	-4.12%	94.44%
2014	457	11,490,267.59	25,142.82	2.00%	48	1:04	451.9	441.4	-1.20%	97.68%
2013	468	11,536,191.59	24,649.98	3.03%	49	1:04	457.4	449.9	0.29%	98.36%
2012	469	11,220,871.00	23,925.10	6.49%	49	1:04	456.1	443.1	-6.02%	97.15%
2011	499	11,211,505.00	22,467.95	-3.80%	52	1:05	485.3	468.9	-4.56%	96.62%
2010	496	11,584,031.00	23,354.90	10.34%	51	1:03	508.5	477.7	-0.88%	93.94%
2009	508	10,752,410.00	21,166.16	5.27%	50	1:03	513.0	481.5	-3.57%	93.86%
2008	513	10,314,690.00	20,106.61	10.31%	50	1:07	532.0	501.0	-7.49%	94.17%
2007	533	9,715,294.00	18,227.57	13.31%	50	1:15	575.1	540.4	-5.36%	93.97%
2006	574	9,233,939.00	16,087.00	12.34%	51	1:11	607.7	569.7	2.05%	93.75%

Sources: School District records.

* operating expenditures equal total expenditures less capital outlay, transfer to charter school, and debt service.

CLEMENTON SCHOOL DISTRICT
 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>
School District Building:										
Elementary:										
Clementon Elementary School (1980)										
Square Feet	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937	79,937
Functional Capacity (students)	700	700	700	700	700	700	700	700	700	700
Enrollment	435	457	468	469	499	496	508	513	533	574
Other:										
Central Administration (1946)										
Square Feet	850	850	850	850	850	850	850	850	850	850
Functional Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2015
 Elementary = 1

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

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

		<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>
* <u>School Facilities</u>	<u>Project # (s)</u>										
Clementon Elementary School	N/A	\$ 40,700.66	\$ 44,813.06	\$ 61,746.64	\$ 32,044.00	\$ 30,919.00	\$ 28,849.00	\$ 106,239.00	\$ 40,431.00	\$ 31,258.00	\$ 35,640.00
Total School Facilities		<u>\$ 40,700.66</u>	<u>\$ 44,813.06</u>	<u>\$ 61,746.64</u>	<u>\$ 32,044.00</u>	<u>\$ 30,919.00</u>	<u>\$ 28,849.00</u>	<u>\$ 106,239.00</u>	<u>\$ 40,431.00</u>	<u>\$ 31,258.00</u>	<u>\$ 35,640.00</u>

* School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3).

Source: School District records.

CLEMENTON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Self-Insured Retention</u>		<u>Deductible</u>
School Package Policy ⁽¹⁾				
Building and Contents (All Locations):				
Limits of Liability per Occurrence	\$ 150,000,000.00	\$ 250,000.00	\$	500.00
Property Valuation	Replacement Cost			
General and Automobile Liability	15,000,000.00	250,000.00		
Workers' Compensation	Statutory	250,000.00		
Boiler and Machinery	125,000,000.00			1,000.00
Crime	500,000.00	250,000.00		500.00
Educators Legal Liability	15,000,000.00	175,000.00		
Pollution Liability	3,000,000.00			25,000.00
Cyber Liability	1,000,000.00			25,000.00
 Surety Bonds ⁽²⁾				
Treasurer	300,000.00			
Board Secretary	200,000.00			

⁽¹⁾ Burlington County Insurance Pool Joint Insurance Fund

⁽²⁾ Selective Insurance Company

Source: School District 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 Education
Clementon School District
Clementon, New Jersey 08021

Report on Compliance for Each Major Federal and State Program

We have audited the Clementon School District's, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2015. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Clementon School District'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 each major federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Clementon School District, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 7, 2015

CLEMENTON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2015

Federal Grantor / Pass-through Grantor / Program Title	CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2014
				From	To	
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through State Department of Education:						
ARRA - Medical Assistance Program (Medicaid)	93.778	N/A	\$ 13,010.21	10/01/08	12/31/10	
Medical Assistance Program (Medicaid)	93.778	N/A	36,623.48	07/01/13	06/30/14	\$ (19,379.06)
Medical Assistance Program (Medicaid)	93.778	N/A	31,490.48	07/01/14	06/30/15	
Total General Fund						(19,379.06)
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I, Part A	84.010A	NCLB088014	296,472.00	07/01/13	06/30/14	13,037.80
Title I, Part A	84.010A	NCLB088015	317,984.00	07/01/14	06/30/15	
Total Title I, Part A						13,037.80
Title II, Part A, Improving Teacher Quality	84.367A	NCLB088014	39,437.00	07/01/13	06/30/14	1,127.29
Title II, Part A, Improving Teacher Quality	84.367A	NCLB088015	45,918.00	07/01/14	06/30/15	
Total Title II, Part A, Improving Teacher Quality						1,127.29
I.D.E.A. Part B:						
Special Education Cluster:						
Basic	84.027	FT088014	150,108.00	07/01/13	06/30/14	(31,478.10)
Basic	84.027	FT088015	127,574.00	07/01/14	06/30/15	
Preschool	84.173	PS088015	2,933.00	07/01/14	06/30/15	
Total I.D.E.A. Part B Special Education Cluster						(31,478.10)
Race to the Top	84.413A	NGO 12-RT01-A01	20,163.00	07/01/12	11/30/15	(344.01)
Total Special Revenue Fund						(17,657.02)
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Agriculture:						
Child Nutrition Cluster:						
School Breakfast Program	10.553	N/A	26,761.33	07/01/13	06/30/14	(2,004.24)
School Breakfast Program	10.553	N/A	29,560.78	07/01/14	06/30/15	
Food Distribution (Non-Cash Assistance)	10.555	N/A	17,880.79	07/01/14	06/30/15	2,916.71
National School Lunch Program	10.555	N/A	125,001.75	07/01/13	06/30/14	(8,382.57)
National School Lunch Program	10.555	N/A	127,592.14	07/01/14	06/30/15	
Total Child Nutrition Cluster						(7,470.10)
Total Enterprise Fund						(7,470.10)
Total Federal Financial Assistance						\$ (44,506.18)

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	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 13,010.21		\$ (13,010.21)				
19,379.06						
18,202.06	\$ (31,490.48)			\$ (13,288.42)		
50,591.33	(31,490.48)	(13,010.21)	-	(13,288.42)	-	-
48,304.00	(61,393.98)	52.18				
165,222.00	(215,579.72)			(50,357.72)		
213,526.00	(276,973.70)	52.18	-	(50,357.72)	-	-
9,150.00	(10,277.29)					
13,297.00	(22,013.22)			(8,716.22)		
22,447.00	(32,290.51)	-	-	(8,716.22)	-	-
31,479.00		(0.90)				
93,745.00	(127,566.00)			(33,821.00)		
	(2,933.00)			(2,933.00)		
125,224.00	(130,499.00)	(0.90)	-	(36,754.00)	-	-
-	(8,938.99)	-	-	(9,283.00)	-	-
361,197.00	(448,702.20)	51.28	-	(105,110.94)	-	-
2,004.24						
27,887.05	(29,560.78)			(1,673.73)		
17,817.89	(17,880.79)				\$ 2,853.81	
8,382.57						
120,973.46	(127,592.14)			(6,618.68)		
177,065.21	(175,033.71)	-	-	(8,292.41)	2,853.81	-
177,065.21	(175,033.71)	-	-	(8,292.41)	2,853.81	-
\$ 588,853.54	\$ (655,226.39)	\$ (12,958.93)	-	\$ (126,691.77)	\$ 2,853.81	-

CLEMENTON SCHOOL DISTRICT
 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:							
State Aid - Public Cluster:							
Equalization Aid	495-034-5120-078	\$ 5,785,597.00	07/01/13	06/30/14	\$ (542,162.35)		
Equalization Aid	495-034-5120-078	5,785,597.00	07/01/14	06/30/15			
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/13	06/30/14	(34,801.92)		
Categorical Special Education Aid	495-034-5120-089	371,383.00	07/01/14	06/30/15			
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/13	06/30/14	(12,696.16)		
Categorical Security Aid	495-034-5120-084	135,485.00	07/01/14	06/30/15			
Per Pupil Growth Aid	495-034-5120-097	6,020.00	07/01/14	06/30/15			
PARCC Readiness	495-034-5120-098	6,020.00	07/01/14	06/30/15			
Total State Aid - Public Cluster					(589,660.43)	-	
Transportation Aid:							
Categorical Transportation Aid	495-034-5120-014	57,738.00	07/01/13	06/30/14	(5,410.57)		
Categorical Transportation Aid	495-034-5120-014	57,738.00	07/01/14	06/30/15			
Additional Nonpublic School Transportation Aid	495-034-5120-014	4,400.00	07/01/13	06/30/14	(4,400.00)		
Additional Nonpublic School Transportation Aid	495-034-5120-014	3,132.00	07/01/14	06/30/15			
Total Transportation Aid					(9,810.57)	-	
Extraordinary Aid							
Extraordinary Aid	100-034-5120-473	74,281.00	07/01/13	06/30/14	(73,514.00)		
Extraordinary Aid	100-034-5120-473	109,257.00	07/01/14	06/30/15			
Total Extraordinary Aid					(73,514.00)	-	
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	495-034-5095-002	241,502.87	07/01/13	06/30/14	(11,632.02)		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	224,214.93	07/01/14	06/30/15			
Total Reimbursed TPAF Social Security Contributions					(11,632.02)	-	
Total General Fund					(684,617.02)	-	
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	13-495-034-5120-086	127,785.00	07/01/12	06/30/13	6,562.01		
Preschool Education Aid	14-495-034-5120-086	87,430.00	07/01/13	06/30/14	(6,485.99)		
Preschool Education Aid	15-495-034-5120-086	96,173.00	07/01/14	06/30/15			
Total Special Revenue Fund					76.02	-	
Capital Projects Fund:							
New Jersey School Development Authority:							
School Facility Project	0880-010-13-1001	101,388.00	05/01/14	completion	(100,297.00)	-	
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	14-100-010-3350-023	2,764.65	07/01/13	06/30/14	(177.16)		
State School Lunch Program	15-100-010-3350-023	2,919.06	07/01/14	06/30/15			
Total Enterprise Fund					(177.16)	-	
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(785,015.16)	-	
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	184,626.00	07/01/14	06/30/15			
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	293,093.00	07/01/14	06/30/15			
Total General Fund (Non-Cash Assistance)					-	-	
Total State Financial Assistance					\$ (785,015.16)	-	

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	Adjustments	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
\$ 542,162.35								
5,243,383.31	\$ (5,785,597.00)			\$ (542,213.69)			\$ (542,213.69)	\$ (5,785,597.00)
34,801.92								
336,577.79	(371,383.00)			(34,805.21)			(34,805.21)	(371,383.00)
12,696.16								
122,787.64	(135,485.00)			(12,697.36)			(12,697.36)	(135,485.00)
5,455.82	(6,020.00)			(564.18)			(564.18)	(6,020.00)
5,455.82	(6,020.00)			(564.18)			(564.18)	(6,020.00)
6,303,320.81	(6,304,505.00)	-	-	(590,844.62)	-	-	(590,844.62)	(6,304,505.00)
5,410.57								
52,326.92	(57,738.00)			(5,411.08)			(5,411.08)	(57,738.00)
4,400.00								
	(3,132.00)			(3,132.00)			(3,132.00)	(3,132.00)
62,137.49	(60,870.00)	-	-	(8,543.08)	-	-	(8,543.08)	(60,870.00)
74,281.00	(109,257.00)	\$ (767.00)		(109,257.00)			(109,257.00)	(74,281.00)
								(109,257.00)
74,281.00	(109,257.00)	(767.00)	-	(109,257.00)	-	-	(109,257.00)	(183,538.00)
11,632.02								
224,214.93	(224,214.93)							(224,214.93)
235,846.95	(224,214.93)	-	-	-	-	-	-	(224,214.93)
6,675,586.25	(6,698,846.93)	(767.00)	-	(708,644.70)	-	-	(708,644.70)	(6,773,127.93)
8,743.00		500.00			\$ 6,562.01			
86,555.70	(95,380.00)			(8,824.30)	2,757.01		(8,824.30)	(95,380.00)
95,298.70	(95,380.00)	500.00	-	(8,824.30)	9,319.02	-	(8,824.30)	(95,380.00)
96,482.34	-	2,465.10	-	(1,349.56)	-	-	(1,349.56)	-
177.16								
2,699.02	(2,919.06)			(220.04)			(220.04)	(2,919.06)
2,876.18	(2,919.06)	-	-	(220.04)	-	-	(220.04)	(2,919.06)
6,870,243.47	(6,797,145.99)	2,198.10	-	(719,038.60)	9,319.02	-	(719,038.60)	(6,871,426.99)
184,626.00	(184,626.00)							(184,626.00)
293,093.00	(293,093.00)							(293,093.00)
477,719.00	(477,719.00)	-	-	-	-	-	-	(477,719.00)
\$ 7,347,962.47	\$ (7,274,864.99)	\$ 2,198.10	-	\$ (719,038.60)	\$ 9,319.02	-	\$ (719,038.60)	\$ (7,349,145.99)

CLEMENTON SCHOOL DISTRICT

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 Clementon School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. 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 exception of programs recorded in the food service fund that are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. 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 these 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, special revenue fund, and capital projects fund] on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$1,184.70) for the general fund, (\$3,222.71) for the special revenue fund, and \$102,636.90 for the capital projects fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is (\$384.40) for the special revenue fund, and \$149,000.00 for the capital projects fund. There is no net adjustment to reconcile expenditures for the general fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 44,500.69	\$ 7,176,148.23	\$ 7,220,648.92
Special Revenue	448,317.80	92,541.69	540,859.49
Capital Projects		97,831.90	97,831.90
Food Service	175,033.71	2,919.06	177,952.77
Total Awards and Financial Assistance	<u>\$ 667,852.20</u>	<u>\$ 7,369,440.88</u>	<u>\$ 8,037,293.08</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" on the accompanying schedules represent the following:

<u>Description</u>	<u>Federal</u>	<u>State</u>
Rounding Difference	\$ (0.90)	
Cancellation of Encumbrances	52.18	\$ 500.00
Recapture of Prior Fiscal Year Expenditures	(13,010.21)	(767.00)
Cancellation of Accounts Receivable		2,465.10
Totals	<u>\$ (12,958.93)</u>	<u>\$ 2,198.10</u>

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2015, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs 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*.

CLEMENTON SCHOOL DISTRICT
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

Internal control over major programs:
Material weakness(es) identified? yes X no
Significant deficiency(ies) identified? yes X none reported
Type of auditor's report issued on compliance for major programs unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553
10.555
10.555

Child Nutrition Cluster:
School Breakfast Program
Food Distribution (Non-Cash Assistance)
National School Lunch Program

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

CLEMENTON SCHOOL DISTRICT
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.

CLEMENTON SCHOOL DISTRICT
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.

None.

CLEMENTON SCHOOL DISTRICT
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.

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

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

