

# **Comprehensive Annual Financial Report**

**of the**

**Edgewater Park Township  
School District**



**Edgewater Park, New Jersey**

**For The Fiscal Year Ended  
June 30, 2015**

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT  
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## INTRODUCTORY SECTION

**Edgewater Park Township School District  
Board of Education  
25 Washington Avenue  
Edgewater Park, New Jersey 08010**

December 1, 2015

Honorable President and  
Members of the Board of Education  
Edgewater Park Township School District  
Edgewater Park, New Jersey 08010

Dear Board Members:

The comprehensive annual financial report of the Edgewater Park Township School District for the fiscal year ended June, 30<sup>th</sup>, 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 School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business type activities, and each major fund 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 (4) 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 Management's Discussion and Analysis and 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 OMB Circular A-133 "Audits of States, 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:**

Edgewater Park Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, pre-school, before and after school latchkey services as well as special education programs. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	868	-0.57%
2013-2014	873	-1.13%
2012-2013	883	3.52%
2011-2012	853	-
2010-2011	853	-2.74%
2009-2010	877	5.79%
2008-2009	829	-.36%
2007-2008	832	3.82%
2006-2007	865	-1.14%
2005-2006	875	-5.91%

**(2) ECONOMIC CONDITION AND OUTLOOK:**

The Edgewater Park Township area remains stable, with relatively little new development. The exceptions are a planned townhome development which has begun and is near completion. It is expected that this new construction project will result in an enrollment increase for the District. Business growth/loss has remained unchanged. The "Route 130 Corridor" has seen some businesses close; however, new business has opened along the highway to replace the others. Government officials continue to work on revitalizing Route 130 with the plan to attract new businesses and additional rateables. With conditions status quo, the area should continue to prosper and the tax base will not be negatively affected.

**(3) MAJOR INITIATIVES:**

The goal of this District to remain competitive with comparable communities in educational performance was accomplished during the 2014-2015 school year.

Professional Development, as mandated by the state department, logs the number of hours each teacher spends during the course of the school year on professional improvement. Professional development activities were aligned with each individual PIP, and the results indicate that the vast majority of teachers far exceeded the suggested 20 hours per year, with all teachers successfully meeting their PIP for 2014/15.

The 2014/15 staff development program maintained the District's initiatives from the 2013/14 school year. Staff members received updated in-service training by the School Psychologist on board policy, *"Prohibiting and Intervening for Harassment, Intimidation and Bullying"*. Administrators will work with employees to identify and discipline students exhibiting objectionable behaviors. The District's curriculum will continue to correlate instruction to the Assessment of Skills & Knowledge (ASK) for grades 3, 4, 5, 6, 7 & 8 and the NJ CORE Curriculum Standards. Teachers continue fulfilling the requirements established by the No Child Left Behind federal initiative that necessitates all teachers to meet the definition of a "highly qualified teacher".

Staff development helps teachers acquire techniques so they can most effectively work with our highly diversified population, including students with mild disabilities who are in the regular classrooms. Special attention will be given at the middle school level with the at risk students so they can achieve academic and behavioral success. The District's major goal instructionally will be to adapt to how all children learn in a positive educational environment. Professional development continues to focus on enhanced literacy and mathematics instruction.

Staff members are committed in their efforts to guarantee that our school system is up to date in the ever-changing world of technology and to make sure all students receive the proper tools to achieve. A full-time Computer Systems Senior Technician sets up and services all computers and is available to the staff for troubleshooting, hardware questions/concerns and supplies. The district also employed an Instructional Technology Facilitator/Coordinator to work directly with the teaching staff and introduce them to enhanced technology, new software, and the techniques necessary to implement them in the classrooms. Internet connectivity is available in all classrooms and labs.

**(4) INTERNAL ACCOUNTING CONTROLS:**

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

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

Honorable President and  
Members of the Board of Education

**(5) BUDGETARY CONTROLS:**

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

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

**(6) ACCOUNTING SYSTEM AND REPORTS:**

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

**(7) FINANCIAL INFORMATION AT FISCAL YEAR-END:**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

**(8) 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 Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**(9) RISK MANAGEMENT:**

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

**(10) INDEPENDENT AUDIT:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 "Audits of States, 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". The auditor's report on the basic financial statements, required supplementary information and supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Honorable President and  
Members of the Board of Education

**(11) ACKNOWLEDGEMENTS:**

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

Respectfully Submitted,



Roy A. Rakszawski  
Superintendent



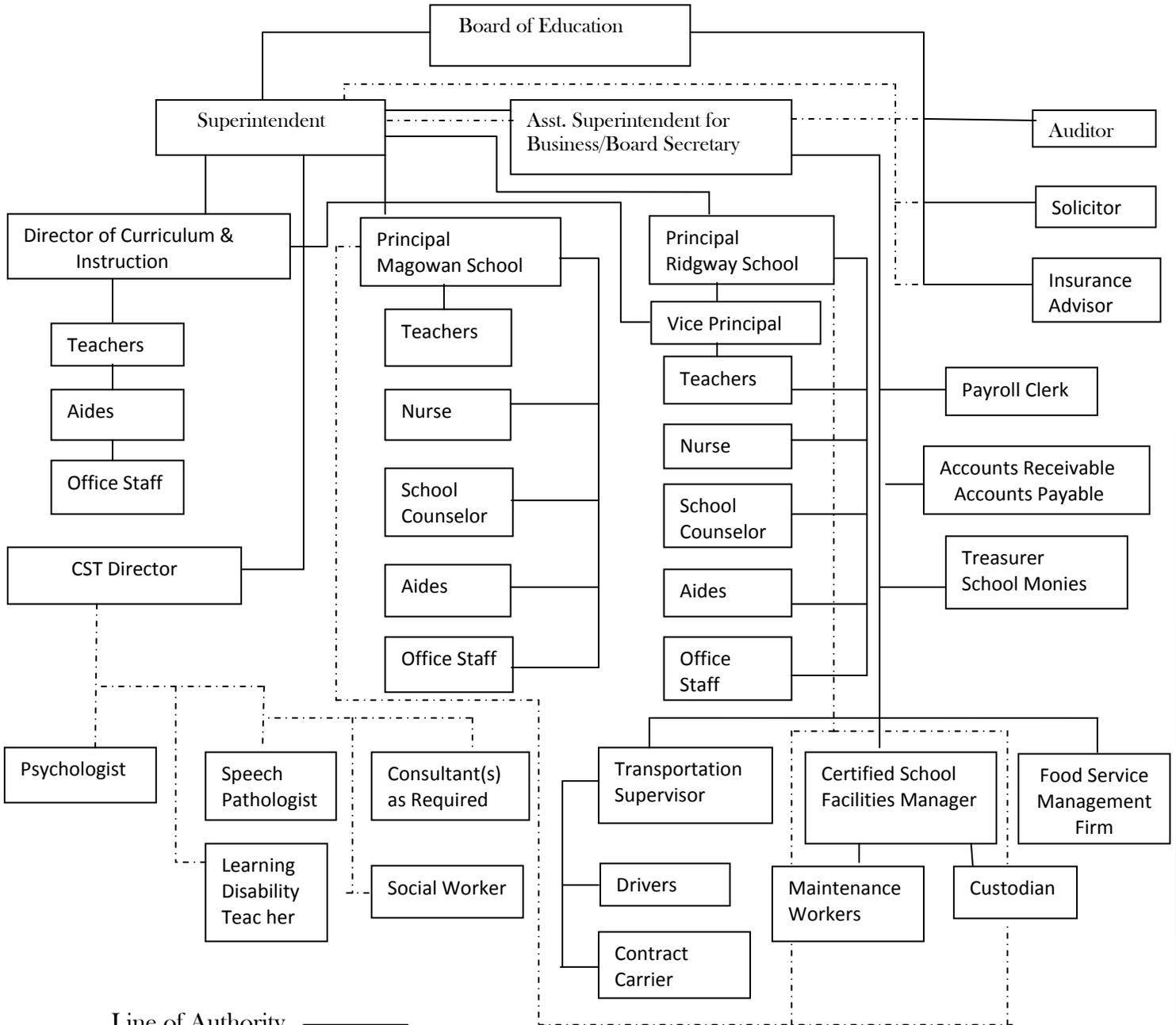
Nancy Lane  
Board Secretary/School Business Administrator

# POLICY

## EDGEWATER PARK TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION  
1110/PAGE 1 OF 1  
Organizational Chart

### 1110 ORGANIZATIONAL CHART



Line of Authority —————  
Line of Cooperation - - - - -

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

**EDGEWATER PARK, NEW JERSEY 08010**

**ROSTER OF OFFICIALS**

**At June 30, 2015**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Lester Holley, President	2017
Jeffrey Jacobs, Vice President	2016
Karen Daly	2017
Dr. Gerald Gares	2016
Deborah Lynch	2015
Robert Lynch	2015
Robert Shappell	2015
Blaine Steen	2015
Colleen Torres	2016

**OTHER OFFICIALS**

Roy Rakszawski, Superintendent

Geneva Moore, Interim Board Secretary/School Business Administrator

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

**EDGEWATER PARK, NEW JERSEY 08010**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2015**

**AUDIT FIRM**

Bowman & Company LLP  
601 White Horse Road  
Voorhees, New Jersey 08043

**ATTORNEY**

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

**INSURANCE BROKER**

Haines & Haines  
T.C. Irons Agency  
230 High Street  
P.O. Box 158  
Burlington, New Jersey 08016

**OFFICIAL DEPOSITORY**

Investors Bank  
1105 S. Fairview Street  
Delran, New Jersey 08075

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Edgewater Park Township School District  
Edgewater Park, New Jersey 08010

### ***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 Edgewater Park Township School District, in the County of Burlington, 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 Edgewater Park Township School District in the County of Burlington, 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 20 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 Edgewater Park Township 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.

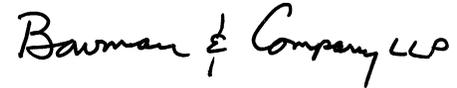
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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 1, 2015 on our consideration of the Edgewater Park Township 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 Edgewater Park Township School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Public School Accountant No. CS 002065

Voorhees, New Jersey  
December 1, 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  
Edgewater Park Township School District  
Edgewater Park, New Jersey 08010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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 Edgewater Park Township School District, in the County of Burlington, 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 1, 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 Edgewater Park Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Edgewater Park Township School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* to be a material weakness as finding no. 2015-001.

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. We did not consider any deficiencies to be significant deficiencies.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Edgewater Park Township 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.

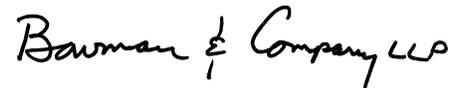
### ***The Edgewater Park Township School District's Response to Findings***

The Edgewater Park Township School District's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***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  
Certified Public Accountants  
& Consultants



Robert P. Nehila, Jr.  
Certified Public Accountant  
Public School Accountant No. CS 002065

Voorhees, New Jersey  
December 1, 2015

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

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

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The management's discussion and analysis of Edgewater Park Township School District (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015 and 2014. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

## **FINANCIAL HIGHLIGHTS**

Financial Highlights for fiscal year 2015:

- During the fiscal year ended June 30, 2015, the School District was required to implement Governmental Accounting Standard Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions*, see below discussion. In addition, the notes to the financial statements provide a more through discussion of the implementation of GASB 68 and the effects to the financial statements.
- The total assets and deferred outflows of resources of the School District were under its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by (\$132,233.47) (net position).
- The School District's total net position decreased by (\$634,697.59), from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$588,440.11, a decrease of \$534,509.36 in comparison with the prior year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

### **District-Wide Statements**

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

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

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

### **Fund Financial Statements**

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

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has three kinds of funds:

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

Table 1 provides a summary of the School District's net position for fiscal years 2015 and 2014.

**TABLE 1**  
Net Position

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 1,026,985.00	\$ 1,733,598.77	\$ (706,613.77)	-40.76%
Capital Assets	<u>3,990,451.54</u>	<u>3,947,054.77</u>	<u>43,396.77</u>	<u>1.10%</u>
Total Assets	<u>5,017,436.54</u>	<u>5,680,653.54</u>	<u>(663,217.00)</u>	<u>-11.68%</u>
Deferred Outflow of Resources - Related to Pensions	<u>519,079.00</u>	<u>-</u>	<u>519,079.00</u>	<u>100.00%</u>
Long-Term Liabilities	5,217,132.53	1,024,755.04	4,192,377.49	409.11%
Other Liabilities	<u>378,000.48</u>	<u>132,405.38</u>	<u>245,595.10</u>	<u>185.49%</u>
Total Liabilities	<u>5,595,133.01</u>	<u>1,157,160.42</u>	<u>4,437,972.59</u>	<u>383.52%</u>
Deferred Inflow of Resources - Related to Pensions	<u>259,508.00</u>	<u>-</u>	<u>259,508.00</u>	<u>100.00%</u>
Net Position:				
Net Investment in Capital Assets	3,751,451.54	3,475,054.77	276,396.77	7.95%
Restricted	751,120.50	1,289,184.94	(538,064.44)	-41.74%
Unrestricted (Deficit)	<u>(4,820,697.51)</u>	<u>(240,746.59)</u>	<u>(4,579,950.92)</u>	<u>1902.39%</u>
	(318,125.47)	4,523,493.12	(4,841,618.59)	-107.03%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	<u>-</u>	<u>(4,212,766.00)</u>	<u>4,212,766.00</u>	<u>-100.00%</u>
Total Net Position	<u>\$ (318,125.47)</u>	<u>\$ 310,727.12</u>	<u>\$ (628,852.59)</u>	<u>-202.38%</u>

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68.

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

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 519,079.00	\$ -	\$ 519,079.00	100.00%
Less: Net Pension Liability	(4,354,566.00)	(4,212,766.00)	(141,800.00)	3.37%
Less: Deferred Inflows Related to Pensions	<u>(259,508.00)</u>	<u>-</u>	<u>(259,508.00)</u>	<u>-100.00%</u>
	<u>\$ (4,094,995.00)</u>	<u>\$ (4,212,766.00)</u>	<u>\$ 117,771.00</u>	<u>-2.80%</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

Table 3 reflects changes in net position for fiscal years 2015 and 2014.

**TABLE 3**  
Change in Net Position

<b>Revenues:</b>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 470,981.70	\$ 581,742.26	\$ (110,760.56)	-19.04%
Federal & State Categorical Grants	3,565,598.13	2,137,349.62	1,428,248.51	66.82%
General Revenues:				
Property Taxes	8,556,158.00	7,987,511.88	568,646.12	7.12%
Federal & State Grants	6,635,688.94	6,620,279.66	15,409.28	0.23%
Other	<u>326,555.24</u>	<u>217,205.09</u>	<u>109,350.15</u>	<u>50.34%</u>
Total Revenues	<u>19,554,982.01</u>	<u>17,544,088.51</u>	<u>2,010,893.50</u>	<u>11.46%</u>
<b>Expenses:</b>				
Instruction:				
Regular	4,707,528.68	4,697,897.80	9,630.88	0.21%
Special Education	1,036,383.65	699,195.94	337,187.71	48.23%
Other Instruction	308,388.42	233,443.79	74,944.63	32.10%
Student Services:				
Tuition	3,669,008.77	3,543,568.74	125,440.03	3.54%
Student and Instruction Related	1,519,194.43	1,597,339.93	(78,145.50)	-4.89%
General Administrative Services	429,219.88	504,715.77	(75,495.89)	-14.96%
School Administrative Services	472,181.53	364,165.92	108,015.61	29.66%
Central Services	205,040.07	225,567.87	(20,527.80)	-9.10%
Administrative Information Technology	141,721.14	259,668.73	(117,947.59)	-45.42%
Plant Operations and Maintenance	858,922.10	1,118,011.25	(259,089.15)	-23.17%
Pupil Transportation	546,866.68	613,075.32	(66,208.64)	-10.80%
Unallocated Benefits	5,403,504.35	3,701,826.63	1,701,677.72	45.97%
Interest on Long-Term Debt	24,931.66	34,251.67	(9,320.01)	-27.21%
Unallocated Depreciation	182,746.06	175,687.34	7,058.72	4.02%
Transfer to Charter Schools	65,537.00		65,537.00	100.00%
Food Service	399,764.68	400,188.67	(423.99)	-0.11%
After School Program		206,330.21	(206,330.21)	-100.00%
Tuition Program	<u>212,895.50</u>	<u>583,647.57</u>	<u>(370,752.07)</u>	<u>-63.52%</u>
Total Expenses	<u>20,183,834.60</u>	<u>18,958,583.15</u>	<u>1,225,251.45</u>	<u>6.46%</u>
Increase (Decrease) in Net Position	(628,852.59)	(1,414,494.64)	785,642.05	(0.56)
Beginning Net Position	<u>310,727.12</u>	<u>5,937,987.76</u>	<u>(5,627,260.64)</u>	<u>-94.77%</u>
Ending Net Position, Prior to Restatement	(318,125.47)	4,523,493.12	(4,841,618.59)	-107.03%
Restatement to Record the School District's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68	<u>-</u>	<u>(4,212,766.00)</u>	<u>4,212,766.00</u>	<u>-100.00%</u>
Ending Net Position	<u>\$ (318,125.47)</u>	<u>\$ 310,727.12</u>	<u>\$ (628,852.59)</u>	<u>-202.38%</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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

**Governmental Activities**

In 2014-2015, Governmental Activities Revenues were \$18,972,144.57 or 97.02% of total revenues.

In 2013-2014, Governmental Activities Revenues were \$16,721,927.76 or 95.31% of total revenues.

In 2014-2015, General Revenues - Property Taxes of \$8,556,158.00 made up 45.10%, and General Revenues - Federal & State Grants of \$6,635,688.94 made up 34.98% of Governmental Activities Revenues.

In 2013-2014, General Revenues - Property Taxes of \$7,987,511.88 made up 47.77%, and General Revenues - Federal & State Grants of \$6,620,279.66 made up 39.59% of Governmental Activities Revenues.

In 2014-2015, the School District's Governmental Activities expenditures increased by \$1,802,757.72 or 10.15%. \$1,549,341.15 or 8.72% of this increase was attributable to the implementation of GASB 68 in fiscal year 2014-2015.

**Business-Type Activities**

In 2014-2015 Business-Type Activities Revenues were \$582,837.44 or 2.98% of total revenues. In 2013-14 Business-Type Activities Revenues were \$822,160.75 or 4.69% of total revenues.

Charges for Services for Business-Type Activities were \$303,425.67 in 2014-2015 compared to \$565,664.76 in 2013-2014, a (29.11%) decrease.

Operating Grants and Contributions for Business-Type Activities were \$279,411.77 in 2014-2015 compared to \$255,967.35 in 2013-2014, a 9.16% increase.

Expenses for Business-Type Activities were \$612,660.18 in 2014-2015 compared to \$1,190,166.45 in 2013-2014, a (48.52%) decrease. This decrease was attributable to the Tuition Program being discontinued in 2014-2015.

**General Fund Budgeting Highlights**

During the fiscal 2015 school year, the Board of Education amended its general fund budget as needed. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and anticipation of miscellaneous revenues.

The final budgetary basis revenue estimate was \$15,598,422.00, which was equal to the original budget.

The 2014-2015 General Fund Tax Levy was \$8,556,158.00, an increase of \$568,646.12 or 7.12% from the 2013-2014 General Fund Tax Levy of \$7,987,511.88.

During fiscal year 2015, the School District budgeted \$8,556,158.00 and \$6,619,235.00 for property taxes (local tax levy) and state aid revenues, respectively.

The School District also received \$423,820.00, \$327,214.00, and \$519,453.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, and T.P.A.F. Post-Retirement Medical Contributions, respectively.

The final budgetary basis expenditure appropriation estimate was \$16,268,982.28, which was equal to the original budget.

The Edgewater Park Township School District's expenditures also include reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Pension Contributions, and T.P.A.F. Post-Retirement Medical Contributions of \$423,820.00, \$327,214.00, and \$ 519,453.00 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2015  
 (Unaudited) (Cont'd)

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

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

**Governmental Funds** - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$588,440.11, a decrease of \$534,509.36 in comparison with the prior year.

Of the combined ending fund balances of \$588,440.11, (\$302,695.18) constitutes unassigned fund balance deficits. The remainder of fund balance of \$891,135.29 is restricted or assigned for various purposes.

**Proprietary Funds** - As of the end of the current fiscal year, the School District's proprietary funds had \$250,419.74 in unrestricted net position.

**CAPITAL ASSETS**

At the end of fiscal year 2015 and 2014, the School District had \$3,990,451.54 and \$3,947,054.77, respectively, in capital assets less accumulated depreciation. Net Investment in Capital Assets was \$3,751,451.54 at June 30, 2015 and \$3,475,054.77 at June 30, 2014. Table 4 reflects the capital assets.

**TABLE 4**  
 Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 7,953.00	\$ 7,953.00
Machinery and Equipment	402,783.25	402,986.25
Building and Improvements	3,387,371.87	3,512,282.36
Land Improvements	<u>192,343.42</u>	<u>23,833.16</u>
Total Capital Assets	<u>\$ 3,990,451.54</u>	<u>\$ 3,947,054.77</u>

Depreciation expense was \$287,309.17 for fiscal year ended 2015 and \$248,634.77 for fiscal year ended 2014.

**DEBT ADMINISTRATION**

**Long-term Debt** - At the end of the current fiscal year, the School District had total bonded debt outstanding of \$239,000.00. The entire School District's bonded debt is governmental as opposed to business-type. The 2016 adopted budget has an appropriation of \$239,000.00 representing the payment of the annual principal. These bonds will mature on February 1, 2016.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited) (Cont'd)

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**FACTORS ON THE SCHOOL DISTRICT'S FUTURE**

One of the most important factors affecting the School District's budget is state aid. The 2015-16 budget was adopted with a \$382,756.00 increase in the tax levy based in part on the state aid the School District anticipates receiving, which has no anticipated increase from prior year budget. In addition, the 2015-2016 budget was supplemented by excess surplus in the amount of \$145,467.00. The School District was cautious regarding the amount of excess surplus, and recognizing that it was not sustainable, used these funds for a majority of one-time purchases and/or improvements.

Any reduction of state aid and/or an increase in expenditures will put an additional burden on the taxpayers of this School District.

The School District is looking to raise funds, through the sale of bonds, to finance much needed facility improvements. The Referendum Question initiative is due to take place on Tuesday, January 26, 2016. The scope of the \$16.1 million referendum was implemented by analysis of the Long Range Facility Plan, which established the need for these improvements. Some of the improvements include new roofs, enhanced security, mechanical/electrical system upgrades, new air conditioning, new fire alarm system, new interior doors and frames, along with interior renovations. If passed, the time span of this project will encompass 18 months.

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

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances to show the School Districts accountability for money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at the Edgewater Park Township School District, 25 Washington Avenue, Edgewater Park, New Jersey 08010.

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

## EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

## Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ -	\$ 224,922.33	\$ 224,922.33
Receivables, net	717,505.50	19,660.23	737,165.73
Inventory		9,487.19	9,487.19
Restricted Assets:			
Cash and Cash Equivalents	55,409.75		55,409.75
Capital Assets, net (Note 6)	3,959,743.43	30,708.11	3,990,451.54
<b>Total Assets</b>	<b>4,732,658.68</b>	<b>284,777.86</b>	<b>5,017,436.54</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	519,079.00	-	519,079.00
<b>LIABILITIES:</b>			
Accounts Payable	350,035.90	884.56	350,920.46
Unearned Revenue	18,129.24	2,765.45	20,894.69
Accrued Interest Payable	3,983.33		3,983.33
Payable to Federal Government	2,202.00		2,202.00
Noncurrent Liabilities (Note 7):			
Due within One Year	262,280.66		262,280.66
Due beyond One Year	4,954,851.87		4,954,851.87
<b>Total Liabilities</b>	<b>5,591,483.00</b>	<b>3,650.01</b>	<b>5,595,133.01</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions (Note 9)	259,508.00		259,508.00
<b>NET POSITION:</b>			
Net Investment in Capital Assets	3,720,743.43	30,708.11	3,751,451.54
Restricted for:			
Debt Service	46,936.67		46,936.67
Capital Projects	377,852.80		377,852.80
Other Purposes	326,331.03		326,331.03
Unrestricted (Deficit)	(5,071,117.25)	250,419.74	(4,820,697.51)
<b>Total Net Position</b>	<b>\$ (599,253.32)</b>	<b>\$ 281,127.85</b>	<b>\$ (318,125.47)</b>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

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

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 4,707,528.68	\$ 167,556.03	\$ 663,201.52	\$ -	\$ (3,876,771.13)	\$ -	\$ (3,876,771.13)
Special Education	1,036,383.65				(1,036,383.65)		(1,036,383.65)
Other Special Instruction	308,388.42				(308,388.42)		(308,388.42)
Support Services:							
Tuition	3,669,008.77				(3,669,008.77)		(3,669,008.77)
Student and Instruction Related Services	1,519,194.43		37,396.84		(1,481,797.59)		(1,481,797.59)
General Administrative Services	429,219.88				(429,219.88)		(429,219.88)
School Administrative Services	472,181.53				(472,181.53)		(472,181.53)
Central Services	205,040.07				(205,040.07)		(205,040.07)
Administrative Information Technology	141,721.14				(141,721.14)		(141,721.14)
Plant Operations and Maintenance	858,922.10				(858,922.10)		(858,922.10)
Pupil Transportation	546,866.68				(546,866.68)		(546,866.68)
Unallocated Benefits	5,403,504.35		2,499,949.00		(2,903,555.35)		(2,903,555.35)
Transfer to Charter Schools	65,537.00				(65,537.00)		(65,537.00)
Interest on Long-Term Debt	24,931.66		85,639.00		60,707.34		60,707.34
Unallocated Depreciation	182,746.06				(182,746.06)		(182,746.06)
<b>Total Governmental Activities</b>	<b>19,571,174.42</b>	<b>167,556.03</b>	<b>3,286,186.36</b>	<b>-</b>	<b>(16,117,432.03)</b>	<b>-</b>	<b>(16,117,432.03)</b>
<b>Business-Type Activities:</b>							
Food Service	399,764.68	123,695.87	279,411.77			3,342.96	3,342.96
After School Program	212,895.50	179,729.80				(33,165.70)	(33,165.70)
<b>Total Business-Type Activities</b>	<b>612,660.18</b>	<b>303,425.67</b>	<b>279,411.77</b>	<b>-</b>	<b>-</b>	<b>(29,822.74)</b>	<b>(29,822.74)</b>
<b>Total Primary Government</b>	<b>\$ 20,183,834.60</b>	<b>\$ 470,981.70</b>	<b>\$ 3,565,598.13</b>	<b>\$ -</b>	<b>(16,117,432.03)</b>	<b>(29,822.74)</b>	<b>(16,147,254.77)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes Levied for General Purposes					8,556,158.00		8,556,158.00
Federal and State Aid Not Restricted					6,635,688.94		6,635,688.94
Investment Earnings					1,812.01		1,812.01
Miscellaneous Income					324,743.23		324,743.23
Transfers					209,807.29	(209,807.29)	-
<b>Total General Revenues</b>					<b>15,728,209.47</b>	<b>(209,807.29)</b>	<b>15,518,402.18</b>
<b>Change in Net Position</b>					<b>(389,222.56)</b>	<b>(239,630.03)</b>	<b>(628,852.59)</b>
<b>Net Position -- July 1 (Restated)</b>					<b>(210,030.76)</b>	<b>520,757.88</b>	<b>310,727.12</b>
<b>Net Position -- June 30</b>					<b>\$ (599,253.32)</b>	<b>\$ 281,127.85</b>	<b>\$ (318,125.47)</b>

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

FUND FINANCIAL STATEMENTS

## EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 201,803.12	\$ -	\$ 92,940.46	\$ 50,920.00	\$ 345,663.58
Interfund Receivable	31,191.44				31,191.44
Accounts Receivable:					
Federal		301,204.77			301,204.77
State	47,694.79		143,338.60		191,033.39
Other	194,075.90				194,075.90
<b>Total Assets</b>	<b>\$ 474,765.25</b>	<b>\$ 301,204.77</b>	<b>\$ 236,279.06</b>	<b>\$ 50,920.00</b>	<b>\$ 1,063,169.08</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Cash and Cash Equivalents - Deficit	\$ -	\$ 290,253.83	\$ -	\$ -	\$ 290,253.83
Unearned Revenue		18,129.24			18,129.24
Accounts Payable	164,143.90				164,143.90
Due to Grantor		2,202.00			2,202.00
<b>Total Liabilities</b>	<b>164,143.90</b>	<b>310,585.07</b>	<b>-</b>	<b>-</b>	<b>474,728.97</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Maintenance Reserve	4,079.72				4,079.72
Emergency Reserve	176,784.64				176,784.64
Capital Reserve	141,573.74				141,573.74
Excess Surplus - Prior Years - Designated for Subsequent Year's Expenditures	145,466.67				145,466.67
Capital Projects			236,279.06		236,279.06
Debt Service				50,920.00	50,920.00
<b>Assigned:</b>					
For Encumbrances	34,270.64				34,270.64
Designated for Subsequent Year's Expenditures	101,760.82				101,760.82
<b>Unassigned (Deficit):</b>					
General Fund	(293,314.88)				(293,314.88)
Special Revenue Fund		(9,380.30)			(9,380.30)
<b>Total Fund Balances</b>	<b>310,621.35</b>	<b>(9,380.30)</b>	<b>236,279.06</b>	<b>50,920.00</b>	<b>588,440.11</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 474,765.25</b>	<b>\$ 301,204.77</b>	<b>\$ 236,279.06</b>	<b>\$ 50,920.00</b>	

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

Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(3,983.33)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,256,245.21, and the accumulated depreciation is \$8,296,501.78.	3,959,743.43
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(862,566.53)
Net Pension Liability	(4,354,566.00)
Accounts Payable related to the April 1, 2016 required PERS pension contribution that is not to be liquidated with current financial resources.	(185,892.00)
Deferred Outflows of Resources - Related to Pensions	519,079.00
Deferred Inflows of Resources - Related to Pensions	(259,508.00)
Net assets of governmental activities	<u>\$ (599,253.32)</u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 8,556,158.00	\$ -	\$ -	\$ -	\$ 8,556,158.00
Unrestricted Miscellaneous Revenues	494,111.27				494,111.27
State Sources	7,895,707.20	95,777.80		85,639.00	8,077,124.00
Federal Sources	8,493.94	606,795.36			615,289.30
<b>Total Revenues</b>	<b>16,954,470.41</b>	<b>702,573.16</b>	<b>-</b>	<b>85,639.00</b>	<b>17,742,682.57</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	4,010,369.78	663,201.52			4,673,571.30
Special Education Instruction	1,036,383.65				1,036,383.65
Other Special Instruction	308,388.42				308,388.42
<b>Support Services and Undistributed Costs:</b>					
Tuition	3,669,008.77				3,669,008.77
Student and Instruction Related Services	1,481,797.59	37,396.84			1,519,194.43
General Administrative Services	368,425.32				368,425.32
School Administrative Services	472,181.53				472,181.53
Central Services	205,040.07				205,040.07
Administrative Information Technology	141,721.14				141,721.14
Plant Operations and Maintenance	855,997.84				855,997.84
Pupil Transportation	543,918.95				543,918.95
Unallocated Benefits	4,035,109.86				4,035,109.86
Transfer to Charter Schools	65,537.00				65,537.00
<b>Debt Service:</b>					
Principal				233,000.00	233,000.00
Interest and Other Charges	9,935.00			18,880.00	28,815.00
Capital Outlay	122,520.58		208,185.36		330,705.94
<b>Total Expenditures</b>	<b>17,326,335.50</b>	<b>700,598.36</b>	<b>208,185.36</b>	<b>251,880.00</b>	<b>18,486,999.22</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(371,865.09)</b>	<b>1,974.80</b>	<b>(208,185.36)</b>	<b>(166,241.00)</b>	<b>(744,316.65)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital Outlay Transfer to Capital Projects	(208,185.36)		208,185.36		-
<b>Transfer from Other Funds:</b>					
Tuition Fund	39,541.29				39,541.29
After School Fund				170,266.00	170,266.00
<b>Total Other Financing Sources and Uses</b>	<b>(168,644.07)</b>	<b>-</b>	<b>208,185.36</b>	<b>170,266.00</b>	<b>209,807.29</b>
<b>Net Change in Fund Balance</b>	<b>(540,509.16)</b>	<b>1,974.80</b>	<b>-</b>	<b>4,025.00</b>	<b>(534,509.36)</b>
Fund Balance -- July 1	851,130.51	(11,355.10)	236,279.06	46,895.00	1,122,949.47
Fund Balance -- June 30	<b>\$ 310,621.35</b>	<b>\$ (9,380.30)</b>	<b>\$ 236,279.06</b>	<b>\$ 50,920.00</b>	<b>\$ 588,440.11</b>

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ (534,509.36)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	\$ (283,369.99)
Depreciation Expense	330,705.94
Capital Outlays	<u>47,335.95</u>
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	233,000.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.	3,883.34
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(70,811.49)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.	<u>(68,121.00)</u>
Change in Net Position of Governmental Activities	<u>\$ (389,222.56)</u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Statements of Net Position  
 June 30, 2015

	<u>Food Service</u>	<u>After School Program</u>	<u>Tuition Program</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 19,793.39	\$ 205,128.94	\$ -
Accounts Receivable:			
State	342.42		
Federal	19,188.64		
Other	129.17		
Inventories	9,487.19		
Total Current Assets	<u>48,940.81</u>	<u>205,128.94</u>	<u>-</u>
Noncurrent Assets:			
Machinery and Equipment	194,352.77		
Less Accumulated Depreciation	<u>(163,644.66)</u>		
Total Noncurrent Assets	<u>30,708.11</u>	<u>-</u>	<u>-</u>
Total Assets	<u>79,648.92</u>	<u>205,128.94</u>	<u>-</u>
<b>LIABILITIES :</b>			
Current Liabilities:			
Unearned Revenue	2,765.45		
Accounts Payable		884.56	
Total Current Liabilities	<u>2,765.45</u>	<u>884.56</u>	<u>-</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	30,708.11		
Unrestricted	<u>46,175.36</u>	<u>204,244.38</u>	
Total Net Position	<u>\$ 76,883.47</u>	<u>\$ 204,244.38</u>	<u>\$ -</u>

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

**EDGEWATER PARK TOWNSHIP 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

	Food Service	After School Program	Tuition Program
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable	\$ 87,290.62	\$ -	\$ -
Daily Sales - Non-Reimbursable	36,405.25		
Program Fees		179,729.80	
Total Operating Revenues	<u>123,695.87</u>	<u>179,729.80</u>	<u>-</u>
<b>OPERATING EXPENSES:</b>			
Salaries and Benefits	166,770.66	205,646.73	
Supplies and Materials	15,609.84	7,248.77	
Cost of Sales	180,424.75		
Management Fee	22,887.48		
Purchased Professional Educational Services	1,885.00		
Depreciation	3,939.18		
Miscellaneous	8,247.77		
Total Operating Expenses	<u>399,764.68</u>	<u>212,895.50</u>	<u>-</u>
Operating Income (Loss)	<u>(276,068.81)</u>	<u>(33,165.70)</u>	<u>-</u>
<b>NONOPERATING REVENUES:</b>			
State Sources:			
State School Lunch Program	4,551.12		
Federal Sources:			
National School Lunch Program	201,661.22		
National School Breakfast Program	34,589.54		
Special Milk Program	897.95		
Snack Program	3,841.59		
Food Distribution Program	33,870.35		
Total Nonoperating Revenues	<u>279,411.77</u>	<u>-</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>3,342.96</u>	<u>(33,165.70)</u>	<u>-</u>
Contributions and Transfers:			
Transfer to - General Fund			(39,541.29)
Transfer to - Debt Service Fund		(170,266.00)	
Total Contributions and Transfers	<u>-</u>	<u>(170,266.00)</u>	<u>(39,541.29)</u>
Change in Net Position	3,342.96	(203,431.70)	(39,541.29)
Total Net Position -- July 1	<u>73,540.51</u>	<u>407,676.08</u>	<u>39,541.29</u>
Total Net Position -- June 30	<u>\$ 76,883.47</u>	<u>\$ 204,244.38</u>	<u>\$ -</u>

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

**EDGEWATER PARK TOWNSHIP 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>After School Program</u>	<u>Tuition Program</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 126,332.15	\$ 179,729.80	\$ 38,800.00
Payments for Salaries and Benefits	(166,770.66)	(205,646.73)	
Payments to Suppliers	<u>(231,604.91)</u>	<u>(6,364.21)</u>	
Net Cash Provided by (used for) Operating Activities	<u>(272,043.42)</u>	<u>(32,281.14)</u>	<u>38,800.00</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Federal and State Sources	305,133.75		
Transfer to Other Funds		(170,266.00)	(39,541.29)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>305,133.75</u>	<u>(170,266.00)</u>	<u>(39,541.29)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,090.33	(202,547.14)	(741.29)
Cash and Cash Equivalents -- July 1	<u>(13,296.94)</u>	<u>407,676.08</u>	<u>741.29</u>
Cash and Equivalents -- June 30	<u>\$ 19,793.39</u>	<u>\$ 205,128.94</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	\$ (276,068.81)	\$ (33,165.70)	\$ -
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation	3,939.18		
(Increase) Decrease in Inventories	(2,550.07)		
(Increase) Decrease in Accounts Receivables	(129.17)		38,800.00
Increase (Decrease) in Unearned Revenue	2,765.45		
Increase (Decrease) in Accounts Payable		<u>884.56</u>	
Total Adjustments	<u>4,025.39</u>	<u>884.56</u>	<u>38,800.00</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (272,043.42)</u>	<u>\$ (32,281.14)</u>	<u>\$ 38,800.00</u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2015

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	Unemployment Compensation <u>Trust</u>	Student <u>Activity</u>	<u>Payroll</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 34,131.08	\$ 61,184.18	\$ 449,391.29
Interfund Receivable	<u>4,655.35</u>		
Total Assets	<u>38,786.43</u>	<u>\$ 61,184.18</u>	<u>\$ 449,391.29</u>
<b>LIABILITIES:</b>			
Payable to Student Groups		\$ 61,184.18	\$ -
Payroll Deductions Payable			413,544.50
Interfund Payable			35,846.79
Accounts Payable	<u>91.42</u>		
Total Liabilities	<u>91.42</u>	<u>\$ 61,184.18</u>	<u>\$ 449,391.29</u>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>38,695.01</u>		
Total Net Position	<u>\$ 38,695.01</u>		

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Year Ended June 30, 2015

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
District Budget	\$ 25,000.00
Employee Payroll Deductions	<u>19,466.15</u>
Total Contributions	<u>44,466.15</u>
Investment Earnings:	
Interest	<u>22.15</u>
Net Investment Earnings	<u>22.15</u>
Total Additions	<u>44,488.30</u>
<b>DEDUCTIONS:</b>	
Unemployment Claims	<u>37,105.20</u>
Total Deductions	<u>37,105.20</u>
Change in Net Position	7,383.10
Net Position -- July 1	<u>31,311.91</u>
Net Position -- June 30	<u><u>\$ 38,695.01</u></u>

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2015

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

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its two schools. The School District has an approximate enrollment at June 30, 2015 of 868.

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. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**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 Burlington County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

The School District reports the following major proprietary funds:

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

***After School Fund*** - This fund accounts for the financial activity related to day care services provided to School District students before and after school.

***Tuition Program*** - This fund accounts for the financial activity related to the special education activities of the School District

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.

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

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

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

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

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

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

The budget, as detailed on exhibit C-1, exhibit C-2 and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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.

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

**Inventories**

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

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

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

**Tuition Receivable**

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

**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.

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

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.

**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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Machinery & Equipment	5 - 20 Years	12 Years
Buildings & Improvements	10 - 20 Years	-
Land & Improvements	10 - 20 Years	-

The School District does not possess any infrastructure assets.

**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.

**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 Public Employees' Retirement System ("PERS") and additions to/deductions from 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.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

Transactions are classified as deferred outflows of resources and deferred inflow 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.

**Net Position**

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

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

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

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

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

**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.

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

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

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

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

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

**Interfund Activity**

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

**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.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****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 \$4,212,766.00, and was recognized as a restatement of the School District's June 30, 2014 net position on the statement of activities (see note 20).

**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement 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.

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.

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

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

As of June 30, 2015, the School District's bank balances of \$1,662,805.89 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured Under GUDPA	1,101,855.91
Uninsured and Uncollateralized	<u>310,949.98</u>
	<u>\$ 1,662,805.89</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:

Beginning Balance, July 1, 2014		\$ 361,916.51
Increased by:		
Interest Earnings	\$ 98.43	
Unexpended Balance of Capital Outlay Appropriations:		
Capital Reserve Transfer to Capital Projects	33,814.64	
Facilities Acquisition and Construction Services	<u>33,244.16</u>	
		<u>67,157.23</u>
		429,073.74
Decreased by:		
Withdrawals:		
Per Budget for Local Share		<u>287,500.00</u>
Ending Balance, June 30, 2015		<u><u>\$ 141,573.74</u></u>

The June 30, 2015 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: 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	\$ 6,333.77
Supplies	<u>3,153.42</u>
	<u><u>\$ 9,487.19</u></u>

**Note 5: ACCOUNTS RECEIVABLE**

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

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

Description	Governmental Funds			Proprietary Funds			Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities	
Federal Awards	\$ -	\$ 301,204.77	\$ -	\$ 301,204.77	\$ 19,188.64	\$ 19,188.64	\$ 320,393.41
State Awards	47,694.79		143,338.60	191,033.39	342.42	342.42	191,375.81
Tax Levy	92,418.62			92,418.62		-	92,418.62
Tuition Charges	101,657.28			101,657.28		-	101,657.28
Other				-	129.17	129.17	129.17
	<u>\$ 241,770.69</u>	<u>\$ 301,204.77</u>	<u>\$ 143,338.60</u>	<u>\$ 686,314.06</u>	<u>\$ 19,660.23</u>	<u>\$ 19,660.23</u>	<u>\$ 705,974.29</u>

**Note 6: CAPITAL ASSETS**

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

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 7,953.00	\$ -	\$ -	\$ 7,953.00
Total Capital Assets, not being Depreciated	7,953.00	-	-	7,953.00
Capital Assets, being Depreciated:				
Machinery and Equipment	971,588.50	144,077.10		1,115,665.60
Buildings and Improvements	10,798,129.70	12,255.84		10,810,385.54
Land & Improvements	147,868.07	174,373.00		322,241.07
Total Capital Assets, being Depreciated	11,917,586.27	330,705.94	-	12,248,292.21
Total Capital Assets, Cost	11,925,539.27	330,705.94	-	12,256,245.21
Less Accumulated Depreciation for:				
Machinery and Equipment	(603,249.54)	(109,632.81)		(712,882.35)
Buildings and Improvements	(7,285,847.34)	(167,874.44)		(7,453,721.78)
Land & Improvements	(124,034.91)	(5,862.74)		(129,897.65)
Total Accumulated Depreciation	(8,013,131.79)	(283,369.99)	-	(8,296,501.78)
Total Capital Assets, being Depreciated, Net	3,904,454.48	47,335.95	-	3,951,790.43
Governmental Activities Capital Assets, Net	<u>\$ 3,912,407.48</u>	<u>\$ 47,335.95</u>	<u>-</u>	<u>\$ 3,959,743.43</u>
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 194,352.77	\$ -	\$ -	\$ 194,352.77
Less Accumulated Depreciation for:				
Machinery and Equipment	(159,705.48)	(3,939.18)		(163,644.66)
Total Capital Assets, being Depreciated, Net	34,647.29	(3,939.18)	-	30,708.11
Business-Type Activities Capital Assets, Net	<u>\$ 34,647.29</u>	<u>\$ (3,939.18)</u>	<u>\$ -</u>	<u>\$ 30,708.11</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ 33,957.38
Other Administrative Services	60,794.56
Transportation	2,947.73
Plant Operations and Maintenance	2,924.26
Unallocated	<u>182,746.06</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 283,369.99</u>
 <b>Business-Type Activities:</b>	
Food Service	<u>\$ 3,939.18</u>

**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>(Restated) Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 472,000.00	\$ -	\$ (233,000.00)	\$ 239,000.00	\$ 239,000.00
Other Liabilities:					
Net Pension Liability	4,212,766.00	141,800.00		4,354,566.00	
Compensated Absences	552,755.04	70,811.49		623,566.53	23,280.66
Total Other Liabilities	<u>4,765,521.04</u>	<u>212,611.49</u>	<u>-</u>	<u>4,978,132.53</u>	<u>23,280.66</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,237,521.04</u>	<u>\$ 212,611.49</u>	<u>\$ (233,000.00)</u>	<u>\$ 5,217,132.53</u>	<u>\$ 262,280.66</u>

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

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

On August 15, 2006, the School District issued \$2,366,000.00 general obligation bonds at interest rates varying from 3.75% to 4.00% for a School Addition. The final maturity of these bonds is February 1, 2016. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 239,000.00</u>	<u>\$ 9,560.00</u>	<u>\$ 248,560.00</u>

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

**Bonds Authorized but not Issued** - As of June 30, 2015, the School District authorized the issuance of \$16,169,208.00 in additional bonded debt, see Note 21.

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

**Note 8: OPERATING LEASES**

At June 30, 2015, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2016	\$ 21,967.88
2017	13,033.31
2018	8,286.96
2019	<u>6,440.72</u>
	<u>\$ 49,728.87</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$27,957.16.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits. 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. 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 ("TPAF") is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which 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. 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, are covered under TPAF.

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

**Public Employees' Retirement System** - The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. 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, are covered under PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which was 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.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. 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.

**Benefits Provided**

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

The membership tiers for PERS are the same as noted above for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 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*.

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

**Teachers' Pension and Annuity Fund (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2015 was 4.12% 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 14.89% of the 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 \$185,892.00 for the fiscal year ended June 30, 2015. Employee contributions were \$88,081.00 for the fiscal year ended June 30, 2015.

**Defined Contribution Retirement Program** - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

For the fiscal year ended June 30, 2015, employee contributions totaled \$11,180.93, and the School District recognized pension expense of \$5,419.81. 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	<u>28,929,452.00</u>
	<u>\$ 28,929,452.00</u>

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

**Teachers' Pension and Annuity Fund (Cont'd)** - 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 \$1,556,676.00 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 \$4,354,566.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. The 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 .0232581701%, which was an increase of .0012156350% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the School District recognized \$259,955.00, in the Government-Wide Financial Statements, for pension expense for PERS.

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	136,931.00	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	259,508.00
Changes in Proportion and Differences Between School District Contributions and Proportionate Share of Contributions	196,256.00	-
School District Contributions Subsequent to the Measurement Date	185,892.00	-
	<b><u>\$ 519,079.00</u></b>	<b><u>\$ 259,508.00</u></b>

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

**Public Employees' Retirement System (Cont'd)** - \$185,892.00 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:

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>PERS</u></b>
2015	\$ 23,866.33
2016	23,866.33
2017	23,866.33
2018	23,866.33
2019	(15,129.77)
Thereafter	<u>(6,657.10)</u>
	<u>\$ 73,678.47</u>

**Actuarial Assumptions**

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.01%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of returns for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

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

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

**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 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:

	<b>1% Decrease (3.68%)</b>	<b>Current Discount Rate (4.68%)</b>	<b>1% Increase (5.68%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability	34,794,531.52	28,929,452.00	24,051,240.10
	<u>\$ 34,794,531.52</u>	<u>\$ 28,929,452.00</u>	<u>\$ 24,051,240.10</u>

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

	<b>1% Decrease (4.39%)</b>	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 5,478,191.74</u>	<u>\$ 4,354,565.55</u>	<u>\$ 3,408,679.70</u>

**Pension Plan Fiduciary Net Position**

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

**Note 10: 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 11: 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 \$327,214.00 and \$519,453.00, respectively.

**Note 12: RISK MANAGEMENT**

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

**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	\$ 25,000.00	\$ 19,466.15	\$ 22.15	\$ 37,105.20	\$ 38,695.01
2014	843.00	20,031.50	34.81	34,363.76	31,311.91
2013	414.00	13,166.23	46.52	6,210.28	44,766.36

**Note 13: DEFERRED COMPENSATION**

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

***Met Life  
Equitable  
Lincoln***

**Note 14: COMPENSATED ABSENCES**

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

School District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policy. Upon termination, employees are paid for accrued vacation. 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 \$623,566.23.

**Note 15: 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	\$ 31,191.44	\$ -
Fiduciary	4,655.35	35,846.79
	<u>\$ 35,846.79</u>	<u>\$ 35,846.79</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.

Interfund Transfers:

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
<b><u>Transfer Out:</u></b>			
General Fund	\$ -	\$ 208,185.36	\$ -
After School Fund			170,266.00
Tuition Fund	39,541.29		
Total Transfers	<u>\$ 39,541.29</u>	<u>\$ 208,185.36</u>	<u>\$ 170,266.00</u>

**Note 16: CONTINGENCIES**

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

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

**Note 17: CONCENTRATIONS**

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

**Note 18: DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$293,314.88 in the general fund and \$9,380.30 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 \$302,695.18 is less than the June state aid payments.

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

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

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There is no excess fund balance at June 30, 2015. However, there was \$145,466.67 of excess fund balance generated during 2013-2014 that has been restricted and designated for utilization in the 2015-2016 budget.

**For Capital Reserve Account** - As of June 30, 2015, the balance in the capital reserve account is \$141,573.74. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2015, the balance in the maintenance reserve account is \$4,079.72. 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).

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

**For Emergency Reserve** - As of June 30, 2015, the balance in the emergency reserve is \$176,784.64. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the reserve 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.

**Capital Projects Fund** - As of June 30, 2015, the restricted fund balance amount was \$236,279.06, all of which is restricted for authorized capital projects.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016 \$50,920.00 of debt service fund balance at June 30, 2015.

**ASSIGNED**

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

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016 \$98,321.33 of general fund balance at June 30, 2015.

The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017 \$3,439.49 of general fund balance at June 30, 2015, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

**Other Purposes** - As of June 30, 2015, the School District had \$34,270.64 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**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, (\$293,314.88) of general fund balance was unassigned.

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

**Special Revenue Fund** - As of June 30, 2015, the fund balance of the special revenue fund was a deficit of (\$9,380.30), 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 18, 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 (\$9,380.30) is equal to the last state aid payment.

**Note 20: RESTATEMENT OF 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:

	Net Position As Previously Reported June 30, 2014	GASB 68 Implementation			Net Position As Restated June 30, 2014
		Net Pension Liability (1)	Deferred Outflows (2)	Accounts Payable (3)	
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 3,440,407.48	\$ -	\$ -	\$ -	\$ 3,440,407.48
Reserve for:					
Debt Service	39,028.33				39,028.33
Capital Projects	236,279.06				236,279.06
Other Purposes	1,013,877.55				1,013,877.55
Unrestricted (Deficit)	(726,857.18)	(4,212,766.00)	191,737.00	(191,737.00)	(4,939,623.18)
Total Net Position	\$ 4,002,735.24	\$ (4,212,766.00)	\$ 191,737.00	\$ (191,737.00)	\$ (210,030.76)

(1) Represents the District's proportionate share of the Public Employees' Retirement System (PERS) June 30, 2013 Net Pension Liability.

(2) Represents the District's beginning deferred outflow of resources for contributions subsequent to the measurement date, paid on April 1, 2015.

(3) Represents the District's accounts payable for contributions subsequent to the measurement date, paid on April 1, 2015. The State of New Jersey Division of Pension and Benefits has an accounts receivable recorded in the PERS Plan Audit.

**Note 21: SUBSEQUENT EVENTS**

On October 13, 2015, the School District passed a resolution approving the submission of a proposal to the voters of the School District for a special election to be held on January, 26, 2016. This special election will ask the voters to approve capital projects including various improvements to its facilities, the acquisition of various equipment and other related improvements. The total costs of project is estimated to be \$16,169,208.00 of which the State of New Jersey's share is estimated to be \$8,083,588.00 and the School District share is estimated to be \$8,130,620.00. This project is predicated upon successful passage by the voters of the School District.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund  
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 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 8,556,158.00	\$ -	\$ 8,556,158.00	\$ 8,556,158.00	\$ -
Tuition	28,300.00	-	28,300.00	167,556.03	139,256.03
Transportation fees from other LEAs	12,000.00	-	12,000.00	28,091.66	16,091.66
Rents and Royalties	80,000.00	-	80,000.00	85,000.00	5,000.00
Private Contributions	1,000.00	-	1,000.00	-	(1,000.00)
Interest Earned on Capital Reserve Funds	3,000.00	-	3,000.00	198.90	(2,801.10)
Unrestricted Miscellaneous Revenues	282,001.00	-	282,001.00	213,264.68	(68,736.32)
<b>Total - Local Sources</b>	<b>8,962,459.00</b>	<b>-</b>	<b>8,962,459.00</b>	<b>9,050,269.27</b>	<b>87,810.27</b>
State Sources:					
Categorical Special Education Aid	583,952.00	-	583,952.00	583,952.00	-
Equalization Aid	5,627,373.00	-	5,627,373.00	5,627,373.00	-
Categorical Security Aid	248,909.00	-	248,909.00	248,909.00	-
Categorical Transportation Aid	133,655.00	-	133,655.00	133,655.00	-
Under Adequacy Aid	4,746.00	-	4,746.00	4,746.00	-
PARCC Readiness Aid	10,300.00	-	10,300.00	10,300.00	-
Per Pupil Growth Aid	10,300.00	-	10,300.00	10,300.00	-
Non-Public Transportation Aid	-	-	-	6,264.00	6,264.00
On-Behalf T.P.A.F. Pension Contributions(non-budgeted)	-	-	-	327,214.00	327,214.00
On-Behalf T.P.A.F. Post Retirement Medical Contributions (non-budgeted)	-	-	-	519,453.00	519,453.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	423,820.00	423,820.00
<b>Total - State Sources</b>	<b>6,619,235.00</b>	<b>-</b>	<b>6,619,235.00</b>	<b>7,895,986.00</b>	<b>1,276,751.00</b>
Federal Sources:					
Medical Reimbursement Program (SEMI)	16,728.00	-	16,728.00	5,054.45	(11,673.55)
ARRA - Medical Assistance Program (SEMI)	-	-	-	3,439.49	3,439.49
<b>Total - Federal Sources</b>	<b>16,728.00</b>	<b>-</b>	<b>16,728.00</b>	<b>8,493.94</b>	<b>(8,234.06)</b>
<b>Total Revenues</b>	<b>15,598,422.00</b>	<b>-</b>	<b>15,598,422.00</b>	<b>16,954,749.21</b>	<b>1,356,327.21</b>

(Continued)

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

General Fund

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Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 53,395.00	\$ (8,855.49)	\$ 44,539.51	\$ 44,539.51	\$ -
Preschool	376,635.00	(80,120.00)	296,515.00	296,292.50	222.50
Kindergarten	1,908,709.00	117,172.83	2,025,881.83	2,025,611.83	270.00
Grades 1-5	1,090,541.00	74,688.06	1,165,229.06	1,165,229.06	-
Grades 6-8					
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000.00	-	5,000.00	441.00	4,559.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	215,473.00	157,043.24	372,516.24	372,516.24	-
Other Purchased Services (400-500 series)	15,000.00	(7,820.00)	7,180.00	6,304.50	875.50
General Supplies	80,013.81	(13,341.93)	66,671.88	65,159.11	1,512.77
Textbooks	40,000.00	(6,678.25)	33,321.75	28,901.05	4,420.70
Other Objects	4,250.00	1,125.00	5,375.00	5,375.00	-
<b>Total Regular Programs - Instruction</b>	<b>3,789,016.81</b>	<b>233,213.46</b>	<b>4,022,230.27</b>	<b>4,010,369.80</b>	<b>11,860.47</b>
Special Education Instruction:					
Multiple Disabilities:					
Salaries of Teachers	190,300.00	11,148.31	201,448.31	201,447.56	0.75
Other Salaries for Instruction	100,784.00	200,876.08	301,660.08	301,660.06	0.02
General Supplies	500.00	(134.60)	365.40	365.40	-
Other Objects	500.00	(193.35)	306.65	306.65	-
<b>Total Multiple Disabilities</b>	<b>292,084.00</b>	<b>211,696.44</b>	<b>503,780.44</b>	<b>503,779.67</b>	<b>0.77</b>
Resource Room / Resource Center:					
Salaries of Teachers	428,008.00	104,455.46	532,463.46	532,462.86	0.60
General Supplies	900.00	(758.87)	141.13	141.12	0.01
<b>Total Resource Room / Resource Center</b>	<b>428,908.00</b>	<b>103,696.59</b>	<b>532,604.59</b>	<b>532,603.98</b>	<b>0.61</b>
<b>Total Special Education - Instruction</b>	<b>720,992.00</b>	<b>315,393.03</b>	<b>1,036,385.03</b>	<b>1,036,383.65</b>	<b>1.38</b>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

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For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	\$ 36,564.00	\$ 1,764.00	\$ 38,328.00	\$ 38,328.00	\$ -
Total Basic Skills / Remedial - Instruction	36,564.00	1,764.00	38,328.00	38,328.00	-
Bilingual Education - Instruction:					
Salaries of Teachers	150,880.00	(24,060.63)	126,819.37	126,493.00	326.37
Purchased Professional - Educational Services	-	2,781.86	2,781.86	2,781.86	-
General Supplies	-	2,214.10	2,214.10	2,067.31	146.79
Total Bilingual Education - Instruction	150,880.00	(19,064.67)	131,815.33	131,342.17	473.16
School Sponsored Cocurricular Activities - Instruction:					
Salaries	56,831.00	68,926.00	125,757.00	125,756.75	0.25
Supplies and Materials	5,400.00	(1,226.38)	4,173.62	-	4,173.62
Total School Sponsored Cocurricular Activities - Instruction	62,231.00	67,699.62	129,930.62	125,756.75	4,173.87
School Sponsored Athletics - Instruction:					
Salaries	18,025.00	(2,300.00)	15,725.00	8,883.00	6,842.00
Purchased Services (300-500 series)	2,550.00	(58.50)	2,491.50	2,491.50	-
Supplies and Materials	3,500.00	(849.50)	2,650.50	1,587.00	1,063.50
Total School Sponsored Athletics - Instruction	24,075.00	(3,208.00)	20,867.00	12,961.50	7,905.50
Total Instruction	4,783,758.81	595,797.44	5,379,556.25	5,355,141.87	24,414.38
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	2,254,000.00	41,036.78	2,295,036.78	2,295,036.54	0.24
Tuition to Other LEAs Within the State - Special	476,000.00	(108,367.47)	367,632.53	367,632.53	-
Tuition to County Vocation School District - Regular	330,826.00	(41,509.30)	289,316.70	289,316.70	-
Tuition to County Vocation School District - Special	53,057.00	(5,305.70)	47,751.30	47,751.30	-
Tuition to CSSD and Regional Day Schools	526,144.00	12,003.60	538,147.60	538,147.60	-
Tuition to Private Schools for the Disabled - Within State	250,000.00	(123,375.90)	126,624.10	126,624.10	-
Tuition - State Facilities	4,500.00	-	4,500.00	4,500.00	-
Total Undistributed Expenditures - Instruction	3,894,527.00	(225,517.99)	3,669,009.01	3,669,008.77	0.24

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Attendance and Social Work Services - Purchase Professional and Technical Services	\$ -	\$ 5,260.00	\$ 5,260.00	\$ 5,260.00	\$ -
Total Purchased Professional and Tech Serv - Attendance & Social Work	-	5,260.00	5,260.00	5,260.00	-
Undistributed Expenditures - Health Services:					
Salaries	122,369.00	11,191.75	133,560.75	133,560.75	-
Purchased Professional and Technical Services	6,500.00	(700.04)	5,799.96	5,799.96	-
Other Purchased Services (400-500 series)	500.00	(493.18)	6.82	6.82	-
Supplies and Materials	3,167.00	(1,181.14)	1,985.86	1,485.86	500.00
Other Objects	300.00	(205.34)	94.66	94.66	-
Total Undistributed Expenditures - Health Services	132,836.00	8,612.05	141,448.05	140,948.05	500.00
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	213,076.00	3,022.00	216,098.00	216,098.00	-
Purchased Professional - Educational Services	125,000.00	(4,817.09)	120,182.91	120,182.91	-
Supplies and Materials	5,400.00	3,044.45	8,444.45	3,784.45	4,660.00
Other Objects	500.00	(277.04)	222.96	222.96	-
Total Undistributed Expenditures - Speech, OT, PT and Related Services	343,976.00	972.32	344,948.32	340,288.32	4,660.00
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	137,915.00	(2,900.00)	135,015.00	135,015.00	-
Salary Secretary and Clerical Asst	80,339.00	1,186.96	81,525.96	80,164.76	1,361.20
Purchased Professional - Educational Services	1,250.00	(1,250.00)	-	-	-
Purchased Professional and Technical Services	1,250.00	(1,250.00)	-	-	-
Other Purchased Services (400-500 series)	1,000.00	(1,000.00)	-	-	-
Supplies and Materials	2,860.00	(2,795.36)	64.64	64.64	-
Other Objects	500.00	(428.05)	71.95	71.95	-
Total Undistributed Expenditures - Guidance	225,114.00	(8,436.45)	216,677.55	215,316.35	1,361.20

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

General Fund

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For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 294,532.00	\$ (68,923.35)	\$ 225,608.65	\$ 225,608.65	\$ -
Salaries of Secretarial and Clerical Assistants	38,394.00	-	38,394.00	37,101.71	1,292.29
Purchased Professional and Technical Services	12,000.00	1,362.00	13,362.00	13,362.00	-
Miscellaneous Purchased Services (400-500 series other than Resid Costs)	5,000.00	(2,055.30)	2,944.70	1,923.30	1,021.40
Supplies and Materials	3,000.00	875.53	3,875.53	3,875.53	-
Other Objects	500.00	(500.00)	-	-	-
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>353,426.00</b>	<b>(69,241.12)</b>	<b>284,184.88</b>	<b>281,871.19</b>	<b>2,313.69</b>
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	50,806.00	(46,660.96)	4,145.04	4,145.04	-
Salary of other Professional Staff	16,681.00	(16,681.00)	-	-	-
Purchased Professional and Technical Services	24,000.00	6,000.00	30,000.00	30,000.00	-
Other Purchased Services (400-500)	2,120.00	(808.92)	1,311.08	1,085.33	225.75
Supplies and Materials	2,088.00	(1,087.16)	1,000.84	1,000.84	-
<b>Total Undistributed Expend. - Improvement of Instructional Services</b>	<b>95,695.00</b>	<b>(59,238.04)</b>	<b>36,456.96</b>	<b>36,231.21</b>	<b>225.75</b>
Undistributed Expenditures - Educational Media Serv./Sch. Library:					
Salaries	63,769.00	(63,769.00)	-	-	-
Salaries of Technology Coordinators	94,816.00	(73,770.32)	21,045.68	21,045.68	-
Purchased Professional and Technical Services	87,000.00	59,247.58	146,247.58	146,247.58	-
Supplies and Materials	172,224.48	(40,376.00)	131,848.48	131,069.57	778.91
Other Objects	3,000.00	(1,563.69)	1,436.31	1,436.31	-
<b>Total Undistributed Expenditures - Educational Media Serv./Sch. Library</b>	<b>420,809.48</b>	<b>(120,231.43)</b>	<b>300,578.05</b>	<b>299,799.14</b>	<b>778.91</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	49,368.00	18,027.04	67,395.04	67,395.04	-
Salaries Other Professional Staff	41,451.00	31,039.24	72,490.24	72,490.24	-
Salaries of Secretarial and Clerical Assist	-	20,838.96	20,838.96	20,838.96	-
Purchased Professional - Educational Services	6,500.00	(6,500.00)	-	-	-
Travel Expenditures	700.00	1,379.50	2,079.50	1,359.09	720.41
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>98,019.00</b>	<b>64,784.74</b>	<b>162,803.74</b>	<b>162,083.33</b>	<b>720.41</b>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

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<b>Undistributed Expenditures - Support Services - General Administration:</b>					
Salaries	\$ 192,530.00	\$ (5,006.24)	\$ 187,523.76	\$ 187,523.76	\$ -
Legal Services	26,000.00	23,034.36	49,034.36	49,034.36	-
Audit Fees	26,000.00	8,829.55	34,829.55	34,829.55	-
Architectural/Engineering Services	5,000.00	(4,780.00)	220.00	220.00	-
Other Purchased Professional Services	1,000.00	9,300.00	10,300.00	10,300.00	-
Communications / Telephone	146,000.00	(84,277.58)	61,722.42	61,153.95	568.47
BOE Other Purchased Services	4,500.00	(4,500.00)	-	-	-
Miscellaneous Purchased Services	25,110.00	(11,761.11)	13,348.89	12,920.89	428.00
General Supplies	1,500.00	(68.14)	1,431.86	1,431.86	-
BOE In-House Training/Meeting Supplies	300.00	(240.00)	60.00	60.00	-
Miscellaneous Expenditures	3,000.00	692.81	3,692.81	3,684.75	8.06
BOE Membership Dues and Fees	8,500.00	(1,233.80)	7,266.20	7,266.20	-
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>439,440.00</b>	<b>(70,010.15)</b>	<b>369,429.85</b>	<b>368,425.32</b>	<b>1,004.53</b>
<b>Undistributed Expenditures - Support Services - School Administration:</b>					
Salaries of Principals / Assistant Principals	264,546.00	9,161.27	273,707.27	273,707.09	0.18
Salaries of Secretarial and Clerical Assistants	91,800.00	(131.32)	91,668.68	91,668.68	-
Purchased Professional and Technical Services	51,159.00	(16,817.76)	34,341.24	34,341.24	-
Other Purchased Services (400-500 series)	26,650.00	(2,850.90)	23,799.10	23,748.93	50.17
Supplies and Materials	33,865.00	10,452.57	44,317.57	44,316.59	0.98
Other Objects	4,000.00	399.00	4,399.00	4,399.00	-
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>472,020.00</b>	<b>212.86</b>	<b>472,232.86</b>	<b>472,181.53</b>	<b>51.33</b>
<b>Undistributed Expenditures - Central Services:</b>					
Salaries	165,880.00	(16,519.66)	149,360.34	148,720.00	640.34
Purchased Professional Services	35,000.00	(31.50)	34,968.50	34,608.50	360.00
Purchased Technical Services	8,500.00	(953.50)	7,546.50	7,546.50	-
Miscellaneous Purchased Services (400-500) [O/T 594]	11,100.00	(2,865.76)	8,234.24	7,752.17	482.07
Supplies and Materials	2,000.00	2,724.13	4,724.13	4,724.13	-
Interest on Lease Purchase Agreements	4,000.00	(4,000.00)	-	-	-
Miscellaneous Expenditures	2,000.00	(311.23)	1,688.77	1,688.77	-
<b>Total Undistributed Expenditures - Central Services</b>	<b>228,480.00</b>	<b>(21,957.52)</b>	<b>206,522.48</b>	<b>205,040.07</b>	<b>1,482.41</b>

(Continued)

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Undistributed Expenditures - Admin Information Technology:					
Purchased Professional Services	\$ 89,380.00	\$ 8,484.20	\$ 97,864.20	\$ 97,864.20	\$ -
Purchased Technical Services	20,000.00	3,245.26	23,245.26	23,245.26	-
Supplies and Materials	15,086.00	3,647.54	18,733.54	18,733.50	0.04
Other Objects	2,000.00	(121.82)	1,878.18	1,878.18	-
<b>Total Undistributed Expenditures - Admin Information Technology</b>	<b>126,466.00</b>	<b>15,255.18</b>	<b>141,721.18</b>	<b>141,721.14</b>	<b>0.04</b>
Undistributed Expenditures - Required Maint for School Facilities Cleaning, Repair and Maintenance Services	60,841.20	(20,840.20)	40,001.00	35,969.68	4,031.32
<b>Total Undistributed Expenditures - Required Maint for Sch Facilities</b>	<b>60,841.20</b>	<b>(20,840.20)</b>	<b>40,001.00</b>	<b>35,969.68</b>	<b>4,031.32</b>
Undistributed Expenditures - Custodial Services:					
Salaries	504,035.00	(12,987.51)	491,047.49	489,004.07	2,043.42
Purchased Professional and Technical Services	14,632.54	117.00	14,749.54	14,089.20	660.34
Cleaning, Repair, and Maintenance Services	26,000.00	(5,587.05)	20,412.95	20,412.67	0.28
Other Purchased Property Services	18,000.00	(2,665.71)	15,334.29	13,370.29	1,964.00
Insurance	72,500.00	88.00	72,588.00	72,588.00	-
Miscellaneous Purchased Services	500.00	(494.87)	5.13	5.13	-
General Supplies	60,270.00	(15,590.76)	44,679.24	44,622.18	57.06
Energy (Natural Gas)	60,000.00	(4,257.51)	55,742.49	55,742.49	-
Energy (Electricity)	110,000.00	(20,706.07)	89,293.93	81,715.00	7,578.93
Energy (Oil)	2,000.00	(2,000.00)	-	-	-
Energy (Gasoline)	10,000.00	(6,664.59)	3,335.41	3,335.41	-
Other Objects	5,000.00	(2,000.00)	3,000.00	2,566.02	433.98
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>882,937.54</b>	<b>(72,749.07)</b>	<b>810,188.47</b>	<b>797,450.46</b>	<b>12,738.01</b>
Undistributed Expenditures - Care and Upkeep of Grounds: Cleaning, Repair and Maintenance Services General Supplies	26,000.00	(5,552.26)	20,447.74	20,447.74	-
	2,177.55	(47.11)	2,130.44	2,129.96	0.48
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>28,177.55</b>	<b>(5,599.37)</b>	<b>22,578.18</b>	<b>22,577.70</b>	<b>0.48</b>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Undistributed Expenditures - Security:</b>					
Purchase Professional and Technical Services	\$ 1,250.00	\$ (1,250.00)	\$ -	-	\$ -
Cleaning, Repair and Maintenance	1,500.00	(1,500.00)	-	-	-
General Supplies	3,000.00	(3,000.00)	-	-	-
<b>Total Undistributed Expenditures - Security</b>	<b>5,750.00</b>	<b>(5,750.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Undistributed Expenditures - Student Transportation Services:</b>					
Salary Pupil Transportation (Between Home and Sch) - Regular	46,415.00	255.39	46,670.39	46,670.39	-
Salary Pupil Transportation (Between Home and Sch) - Spec Ed	41,715.00	(7,820.28)	33,894.72	33,894.72	-
Salary Pupil Transportation Other than Between Home and School	3,090.00	(2,127.15)	962.85	962.85	-
Management Fee - ESC & CTSA Trans. Program	5,000.00	(5,000.00)	-	-	-
Other Purchased Professional and Technical Services	1,000.00	3,468.84	4,468.84	3,729.77	739.07
Cleaning, Repair and Maintenance Services	11,000.00	(2,612.18)	8,387.82	8,387.82	-
Contracted Services - Aid in Lieu Pymnts - Non Public School	20,000.00	8,288.00	28,288.00	28,288.00	-
Contracted Services - Aid in Lieu Pymnts - Charter School		6,188.00	6,188.00	6,188.00	-
Contracted Services - (Other than Between Home and School) - Vendors	298,237.50	5,550.10	303,787.60	298,200.10	5,587.50
Contracted Services - (Between Home and School) - Vendors	48,000.00	(41,999.90)	6,000.10	6,000.00	0.10
Contracted Services (Spl. Ed. Students) - Joint Agreements	35,000.00	(32,000.00)	3,000.00	3,000.00	-
Contracted Services (Spl. Ed. Students) - ESCs	105,750.00	5,280.80	111,030.80	100,217.77	10,813.03
Miscellaneous Purchased Services - Transportation	4,000.00	115.34	4,115.34	4,115.34	-
General Supplies	1,500.00	(1,350.00)	150.00	150.00	-
Transportation Supplies	4,500.00	(417.06)	4,082.94	4,082.94	-
Other Objects	300.00	(268.75)	31.25	31.25	-
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>625,507.50</b>	<b>(64,448.85)</b>	<b>561,058.65</b>	<b>543,918.95</b>	<b>17,139.70</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	178,500.00	(372.62)	178,127.38	178,126.68	0.70
Other Retirement Contributions - PERS	200,340.00	(5,247.31)	195,092.69	195,026.04	66.65
Unemployment Compensation	25,000.00	2,563.13	27,563.13	27,563.13	-
Workmen's Compensation	105,000.00	(10,951.59)	94,048.41	94,048.41	-
Health Benefits	2,262,838.00	-	2,262,838.00	2,175,380.89	87,457.11
Tuition Reimbursement	61,678.20	(16,175.45)	45,502.75	44,999.62	503.13
Other Employee Benefits	40,000.00	10,864.46	50,864.46	49,478.09	1,386.37
<b>Total Unallocated Benefits</b>	<b>2,873,356.20</b>	<b>(19,319.38)</b>	<b>2,854,036.82</b>	<b>2,764,622.86</b>	<b>89,413.96</b>

(Continued)

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
On-Behalf T.P.A.F. Pension Contributions Post Retirement (non-budgeted)	\$ -	\$ -	\$ -	\$ 327,214.00	\$ (327,214.00)
On-Behalf T.P.A.F. Medical Contributions Post Retirement (non-budgeted)	-	-	-	519,453.00	(519,453.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	-	423,820.00	(423,820.00)
<b>Total On-behalf Contributions</b>	-	-	-	1,270,487.00	(1,270,487.00)
<b>Total Undistributed Expenditures</b>	11,307,378.47	(668,242.42)	10,639,136.05	11,773,201.07	(1,134,065.02)
<b>Total Current Expense</b>	16,091,137.28	(72,444.98)	16,018,692.30	17,128,342.94	(1,109,650.64)
<b>Capital Outlay:</b>					
Undistributed Expenditures:					
Grades 1-5	78,000.00	-	78,000.00	67,825.69	10,174.31
Grades 6-8	8,500.00	-	8,500.00	4,180.12	4,319.88
Admin Information Technology Security	35,910.00	-	35,910.00	32,706.65	3,203.35
	-	6,907.98	6,907.98	5,552.26	1,355.72
<b>Total Equipment</b>	122,410.00	6,907.98	129,317.98	110,264.72	19,053.26
<b>Facilities Acquisition and Construction Services:</b>					
Architectural/Engineering Services	45,500.00	-	45,500.00	12,255.84	33,244.16
Assessment for Debt Service on SDA Funding	9,935.00	-	9,935.00	9,935.00	-
<b>Total Facilities Acquisition and Construction Services</b>	55,435.00	-	55,435.00	22,190.84	33,244.16
<b>Total Capital Outlay</b>	177,845.00	6,907.98	184,752.98	132,455.56	52,297.42
Transfer to Charter Schools	-	65,537.00	65,537.00	65,537.00	-
<b>Total Expenditures</b>	16,268,982.28	-	16,268,982.28	17,326,335.50	(1,057,353.22)
<b>Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(670,560.28)	-	(670,560.28)	(371,586.29)	298,973.99

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Other Financing Sources (Uses):					
Capital Outlay Transfer to Capital Projects	\$ (242,000.00)	\$ -	\$ (242,000.00)	\$ (208,185.36)	\$ (33,814.64)
Transfer from Other Funds - Tuition Program	-	-	-	39,541.29	(39,541.29)
Interest Deposit to Capital Reserve	(3,000.00)	-	(3,000.00)	-	(3,000.00)
Total Other Financing Sources (Uses)	<u>(245,000.00)</u>	<u>-</u>	<u>(245,000.00)</u>	<u>(168,644.07)</u>	<u>(76,355.93)</u>
Calculation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures and	<u>(915,560.28)</u>	<u>-</u>	<u>(915,560.28)</u>	<u>(540,230.36)</u>	<u>375,329.92</u>
Other Financing Sources (Uses)					
Fund Balances, July 1	<u>1,453,468.41</u>	<u>-</u>	<u>1,453,468.41</u>	<u>1,453,468.41</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 537,908.13</u>	<u>\$ -</u>	<u>\$ 537,908.13</u>	<u>\$ 913,238.05</u>	<u>\$ 375,329.92</u>

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Recapitulation:

Restricted:

- Maintenance Reserve
- Emergency Reserve
- Capital Reserve
- Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures

Assigned:

- For Encumbrances
- Designated for Subsequent Year's Expenditures:
- General Fund Balance
- ARRA - Medical Assistance Program (SEMI)
- Unassigned

	\$	4,079.72
		176,784.64
		141,573.74
		145,466.67
		34,270.64
		98,321.33
		3,439.49
		<u>309,301.82</u>
		913,238.05
		<u>(602,616.70)</u>
	\$	<u>310,621.35</u>

Reconciliation to Governmental Funds Statements (GAAP):

June 2015 State Aid Payments Not Recognized on GAAP Basis

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Special Revenue Fund  
Required Supplementary Information  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2015

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Preschool Education Aid	\$ 103,254.00	\$ -	\$ 103,254.00	\$ 93,803.00	\$ (9,451.00)
Total - State Sources	<u>103,254.00</u>	<u>-</u>	<u>103,254.00</u>	<u>93,803.00</u>	<u>(9,451.00)</u>
Federal Sources:					
Title I, Part A	223,222.00	127,122.00	350,344.00	266,604.16	(83,739.84)
Title II, Part A	17,334.00	29,302.00	46,636.00	32,266.24	(14,369.76)
Title III	14,207.00	21,679.00	35,886.00	26,129.92	(9,756.08)
Title III, Immigration	-	12,723.00	12,723.00	8,909.32	(3,813.68)
I.D.E.A., Part B, Preschool	-	18,361.00	18,361.00	16,961.96	(1,399.04)
I.D.E.A., Part B, Basic	204,082.00	60,520.00	264,602.00	264,602.00	-
Total - Federal Sources	<u>458,845.00</u>	<u>269,707.00</u>	<u>728,552.00</u>	<u>615,473.60</u>	<u>(113,078.40)</u>
Total Revenues	<u>\$ 562,099.00</u>	<u>\$ 269,707.00</u>	<u>\$ 831,806.00</u>	<u>\$ 709,276.60</u>	<u>\$ (122,529.40)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 248,935.41	\$ 15,159.59	\$ 264,095.00	\$ 193,665.29	\$ 70,429.71
Other Salaries for Instruction	117,159.09	95,229.91	212,389.00	192,332.81	20,056.19
Purchased Professional and Technical Services	145,961.08	118,640.92	264,602.00	264,602.00	-
General Supplies	12,764.60	10,375.40	23,140.00	21,279.66	1,860.34
Total Instruction	<u>524,820.18</u>	<u>239,405.82</u>	<u>764,226.00</u>	<u>671,879.76</u>	<u>92,346.24</u>
Support Services:					
Salaries of Secretarial and Clerical Assistants	2,116.59	1,720.41	3,837.00	-	3,837.00
Personal Services - Employee Benefits	21,168.61	17,206.39	38,375.00	12,028.84	26,346.16
Purchased Professional and Technical Services	13,993.62	11,374.38	25,368.00	25,368.00	-
Total Support Services	<u>37,278.82</u>	<u>30,301.18</u>	<u>67,580.00</u>	<u>37,396.84</u>	<u>30,183.16</u>
Total Expenditures	<u>562,099.00</u>	<u>269,707.00</u>	<u>831,806.00</u>	<u>709,276.60</u>	<u>122,529.40</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to Required Supplementary Information - Part II  
 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) "revenues" from the budgetary comparison schedules	\$ 16,954,749.21	\$ 709,276.60
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(8,678.24)
Prior Year	-	-
The June 2014 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	602,337.90	11,355.10
The June 2015 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(602,616.70)</u>	<u>(9,380.30)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 16,954,470.41</u>	<u>\$ 702,573.16</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 17,326,335.50	\$ 709,276.60
Differences - Budget to GAAP:		
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.		
Current Year	-	(8,678.24)
Prior Year	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 17,326,335.50</u>	<u>\$ 700,598.36</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last 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	0.0232581701%	0.0220425351%
School District's Proportionate Share of the Net Pension Liability	\$ 4,354,566.00	\$ 4,212,766.00
School District's Covered-Employee Payroll	\$ 1,518,500.00	\$ 1,626,732.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	286.77%	258.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 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	\$ 185,892.00	\$ 191,737.00
Contributions in Relation to the Contractually Required Contribution	<u>(185,892.00)</u>	<u>(191,737.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
School District's Covered-Employee Payroll	\$ 1,248,347.00	\$ 1,518,500.00
Contributions as a Percentage of School District's Covered-Employee Payroll	14.89%	12.63%

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last 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>28,929,452.00</u>	<u>30,095,848.00</u>
	<u>\$ 28,929,452.00</u>	<u>\$ 30,095,848.00</u>
School District's Covered-Employee Payroll	\$ 5,776,874.00	\$ 5,776,432.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	500.78%	521.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last 10 Fiscal Years

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This schedule is not applicable.

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

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2015

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**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

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

	N.C.L.B.				I.D.E.A., Part B		
	Title I, Part A	Title II, Part A	Title III	Title III, Immigrant	Basic	Preschool	Preschool Education Aid
<b>REVENUES:</b>							
Federal Sources	\$ 615,473.60	\$ 32,266.24	\$ 26,129.92	\$ 8,909.32	\$ 264,602.00	\$ 16,961.96	\$ -
State Sources	93,803.00						93,803.00
<b>Total Revenues</b>	<b>709,276.60</b>	<b>32,266.24</b>	<b>26,129.92</b>	<b>8,909.32</b>	<b>264,602.00</b>	<b>16,961.96</b>	<b>93,803.00</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	193,665.29	39,994.51	22,885.22	4,716.32			93,803.00
Other Salaries for Instruction	192,332.81	32,266.24					
Purchased Professional and Technical Services	264,602.00		124.70	4,193.00	264,602.00	16,961.96	
General Supplies	21,279.66						
<b>Total Instruction</b>	<b>671,879.76</b>	<b>32,266.24</b>	<b>23,009.92</b>	<b>8,909.32</b>	<b>264,602.00</b>	<b>16,961.96</b>	<b>93,803.00</b>
Support Services:							
Personal Services - Employee Benefits	12,028.84		3,120.00				
Purchased Professional and Technical Services	25,368.00						
<b>Total Support Services</b>	<b>37,396.84</b>	<b>-</b>	<b>3,120.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 709,276.60</b>	<b>\$ 32,266.24</b>	<b>\$ 26,129.92</b>	<b>\$ 8,909.32</b>	<b>\$ 264,602.00</b>	<b>\$ 16,961.96</b>	<b>\$ 93,803.00</b>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Preschool - All Programs  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2015

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GOVERNMENT-WIDE TOTAL	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 103,254.00	\$ 93,803.00	\$ 9,451.00
Total Instruction	<u>103,254.00</u>	<u>93,803.00</u>	<u>9,451.00</u>
Total Expenditures	<u>\$ 103,254.00</u>	<u>\$ 93,803.00</u>	<u>\$ 9,451.00</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total 2014-15 Preschool Education Aid Allocation	\$ 93,803.00
Actual ECPA Carryover (June 30, 2014)	9,451.00
Add: Actual Transfer from General Fund 2014-15	<u>-</u>
Total Preschool Education Aid Funds Available for 2014-15 Budget	103,254.00
Less: 2014-15 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(103,254.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	-
Add: 2014-15 Unexpended Preschool Education Aid	<u>9,451.00</u>
2014-15 Carryover - Preschool Education Aid	<u>\$ 9,451.00</u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2015-2016	<u>\$ -</u>

CAPITAL PROJECTS FUND

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 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>	
Mildred Magowan School Renovations	06/15/09	\$ 870,577.00	\$ 651,527.01	\$ -	\$ 219,049.99
Samuel Ridgway School Renovations	06/15/09	<u>693,096.00</u>	<u>460,764.00</u>		<u>232,332.00</u>
		<u>\$ 1,563,673.00</u>	<u>\$ 1,112,291.01</u>	<u>\$ -</u>	<u>\$ 451,381.99</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Unexpended Balance as of June 30, 2015					\$ 451,381.99
SDA Grant Revenue Not Recognized on GAAP Basis					<u>(215,102.93)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ 236,279.06</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Revenue, Expenditure, and Change in Fund Balances  
 For the Fiscal Year Ended June 30, 2015

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REVENUES AND OTHER FINANCING SOURCES:	
Transfer form Capital Outlay	\$ 208,185.36
EXPENDITURES AND OTHER FINANCING USES:	
Construction Services	<u>208,185.36</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
Fund Balance -- July 1	<u>451,381.99</u>
Fund Balance -- June 30	<u><u>\$ 451,381.99</u></u>
Reconciliation to Governmental Fund Statements (GAAP):	
Fund Balance as of June 30, 2015	\$ 451,381.99
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(215,102.93)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 236,279.06</u></u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Mildred Magowan School Renovations  
 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>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources--SDA Grant	\$ 516,305.00	\$ -	\$ 516,305.00	\$ 516,305.00
Proceeds from Lease Purchase	300,000.00		300,000.00	300,000.00
Transfer from Capital Reserve	54,272.00		54,272.00	54,272.00
Total Revenues	870,577.00	-	870,577.00	870,577.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional and Technical Services	48,047.00		48,047.00	48,047.00
Construction Services	603,480.00		603,480.00	603,480.00
Total Expenditures	651,527.00	-	651,527.00	651,527.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 219,050.00	\$ -	\$ 219,050.00	\$ 219,050.00
Designated for Subsequent Years Expenditures			\$ 219,050.00	
<b>Additional Project Information:</b>				
Project Number	1280-050-09-1001			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$ 300,000.00			
Original Authorized Cost	\$ 816,305.00			
Additional Authorized Cost	54,272.00			
Revised Authorized Cost	\$ 816,305.00			
Percentage Increase over Original Authorized Cost	6.65%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/11			
Revised Target Completion Date	12/31/11			

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Capital Projects Fund  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 Samuel Ridgway School Renovations  
 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>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
State Sources--SDA Grant	\$ 393,096.00	\$ -	\$ 393,096.00	\$ 393,096.00
Proceeds from Lease Purchase	<u>300,000.00</u>		<u>300,000.00</u>	<u>300,000.00</u>
Total Revenues	<u>693,096.00</u>	<u>-</u>	<u>693,096.00</u>	<u>693,096.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional and Technical Services	44,624.00		44,624.00	44,624.00
Construction Services	<u>416,140.00</u>		<u>416,140.00</u>	<u>416,140.00</u>
Total Expenditures	<u>460,764.00</u>	<u>-</u>	<u>460,764.00</u>	<u>460,764.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 232,332.00</u>	<u>\$ -</u>	<u>\$ 232,332.00</u>	<u>\$ 232,332.00</u>
Designated for Subsequent Years Expenditures			<u>\$ 232,332.00</u>	
<b>Additional Project Information:</b>				
Project Number	1280-070-09-1002			
Grant Date	02/26/09			
Lease Authorization Date	06/15/09			
Lease Authorized	06/15/09			
Lease Issued	\$ 300,000.00			
Original Authorized Cost	\$ 693,096.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 693,096.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/11			
Revised Target Completion Date	12/31/11			

PROPRIETARY FUNDS

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Proprietary Funds  
 Business-Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2015

	<u>Food Service</u>	<u>After School Program</u>	<u>Tuition Program</u>	<u>Total</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 19,793.39	\$ 205,128.94	\$ -	\$ 224,922.33
Accounts Receivable:				
State	342.42			342.42
Federal	19,188.64			19,188.64
Other	129.17			129.17
Inventories	9,487.19			9,487.19
<b>Total Current Assets</b>	<u>48,940.81</u>	<u>205,128.94</u>	<u>-</u>	<u>254,069.75</u>
Noncurrent Assets:				
Machinery and Equipment	194,352.77			194,352.77
Less Accumulated Depreciation	<u>(163,644.66)</u>			<u>(163,644.66)</u>
<b>Total Noncurrent Assets</b>	<u>30,708.11</u>	<u>-</u>	<u>-</u>	<u>30,708.11</u>
<b>Total Assets</b>	<u>79,648.92</u>	<u>205,128.94</u>	<u>-</u>	<u>284,777.86</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Unearned Revenue	2,765.45			2,765.45
Accounts Payable		884.56		884.56
<b>Total Current Liabilities</b>	<u>2,765.45</u>	<u>884.56</u>	<u>-</u>	<u>3,650.01</u>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	30,708.11	-	-	30,708.11
Unrestricted	<u>46,175.36</u>	<u>204,244.38</u>	<u>-</u>	<u>250,419.74</u>
<b>Total Net Position</b>	<u>\$ 76,883.47</u>	<u>\$ 204,244.38</u>	<u>\$ -</u>	<u>\$ 281,127.85</u>

**EDGEWATER PARK TOWNSHIP 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>After School Program</u>	<u>Tuition Program</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for Services:				
Daily Sales - Reimbursable	\$ 87,290.62	\$ -	\$ -	\$ 87,290.62
Daily Sales - Non-Reimbursable	36,405.25			36,405.25
Program Fees		179,729.80		179,729.80
	<u>123,695.87</u>	<u>179,729.80</u>	<u>-</u>	<u>303,425.67</u>
Total Operating Revenues				
<b>OPERATING EXPENSES:</b>				
Salaries and Benefits	166,770.66	205,646.73		372,417.39
Supplies and Materials	15,609.84	7,248.77		22,858.61
Cost of Sales	180,424.75			180,424.75
Management Fee	22,887.48			22,887.48
Purchased Professional Educational Services	1,885.00			1,885.00
Depreciation	3,939.18			3,939.18
Miscellaneous	8,247.77			8,247.77
	<u>399,764.68</u>	<u>212,895.50</u>	<u>-</u>	<u>612,660.18</u>
Total Operating Expenses				
Operating Income / (Loss)	<u>(276,068.81)</u>	<u>(33,165.70)</u>	<u>-</u>	<u>(309,234.51)</u>
<b>NONOPERATING REVENUES:</b>				
State Sources:				
State School Lunch Program	4,551.12			4,551.12
Federal Sources:				
National School Lunch Program	201,661.22			201,661.22
National School Breakfast Program	34,589.54			34,589.54
Special Milk Program	897.95			897.95
Snack Program	3,841.59			3,841.59
Food Distribution Program	33,870.35			33,870.35
	<u>279,411.77</u>	<u>-</u>	<u>-</u>	<u>279,411.77</u>
Total Nonoperating Revenues				
Income (Loss) before Contributions and Transfers	<u>3,342.96</u>	<u>(33,165.70)</u>	<u>-</u>	<u>(29,822.74)</u>
Contributions and Transfers:				
Transfer to - General Fund			(39,541.29)	(39,541.29)
Transfer to - Debt Service Fund		(170,266.00)		(170,266.00)
	<u>-</u>	<u>(170,266.00)</u>	<u>(39,541.29)</u>	<u>(209,807.29)</u>
Total Contributions and Transfers				
Change in Net Position	3,342.96	(203,431.70)	(39,541.29)	(239,630.03)
Net Position -- July 1	<u>73,540.51</u>	<u>407,676.08</u>	<u>39,541.29</u>	<u>520,757.88</u>
Net Position -- June 30	<u>\$ 76,883.47</u>	<u>\$ 204,244.38</u>	<u>\$ -</u>	<u>\$ 281,127.85</u>

**EDGEWATER PARK TOWNSHIP 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>After School Program</u>	<u>Tuition Program</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 126,332.15	\$ 179,729.80	\$ 38,800.00	\$ 344,861.95
Payments for Salaries and Benefits	(166,770.66)	(205,646.73)		(372,417.39)
Payments to Suppliers	(231,604.91)	(6,364.21)		(237,969.12)
Net Cash Provided by (used for) Operating Activities	<u>(272,043.42)</u>	<u>(32,281.14)</u>	<u>38,800.00</u>	<u>(265,524.56)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Federal and State Sources	305,133.75			305,133.75
Transfer to Other Funds		(170,266.00)	(39,541.29)	(209,807.29)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>305,133.75</u>	<u>(170,266.00)</u>	<u>(39,541.29)</u>	<u>95,326.46</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,090.33	(202,547.14)	(741.29)	(170,198.10)
Cash and Cash Equivalents -- July 1	<u>(13,296.94)</u>	<u>407,676.08</u>	<u>741.29</u>	<u>395,120.43</u>
Cash and Equivalents -- June 30	<u>\$ 19,793.39</u>	<u>\$ 205,128.94</u>	<u>\$ -</u>	<u>\$ 224,922.33</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>				
by Operating Activities:				
Operating Income (Loss)	\$ (276,068.81)	\$ (33,165.70)	\$ -	\$ (309,234.51)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Depreciation	3,939.18			3,939.18
(Increase) Decrease in Inventories	(2,550.07)			(2,550.07)
(Increase) Decrease in Accounts Receivables	(129.17)		38,800.00	38,670.83
Increase (Decrease) in Deferred Revenue	2,765.45			2,765.45
Increase (Decrease) in Accounts Payable		884.56		884.56
Total Adjustments	<u>4,025.39</u>	<u>884.56</u>	<u>38,800.00</u>	<u>43,709.95</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (272,043.42)</u>	<u>\$ (32,281.14)</u>	<u>\$ 38,800.00</u>	<u>\$ (265,524.56)</u>

FIDUCIARY FUNDS

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2015

	<u>Trust Funds</u>	<u>Agency Funds</u>		
	Unemployment Compensation <u>Trust</u>	Student Activity	Payroll	<u>Total</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 34,131.08	\$ 61,184.18	\$ 449,391.29	\$ 544,706.55
Interfund Receivable	4,655.35			4,655.35
<b>Total Assets</b>	<u>38,786.43</u>	<u>\$ 61,184.18</u>	<u>\$ 449,391.29</u>	<u>549,361.90</u>
<b>LIABILITIES:</b>				
Payable to Student Groups		\$ 61,184.18	\$ -	61,184.18
Payroll Deductions Payable			413,544.50	413,544.50
Interfund Payable			35,846.79	35,846.79
Accounts Payable	91.42			91.42
<b>Total Liabilities</b>	<u>91.42</u>	<u>\$ 61,184.18</u>	<u>\$ 449,391.29</u>	<u>510,666.89</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	<u>38,695.01</u>			<u>38,695.01</u>
<b>Total Net Position</b>	<u>\$ 38,695.01</u>			<u>\$ 38,695.01</u>

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

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	Unemployment Compensation <u>Trust</u>
ADDITIONS:	
Contributions:	
District Budget	\$ 25,000.00
Employee Payroll Deductions	<u>19,466.15</u>
Total Contributions	<u>44,466.15</u>
Investment Earnings:	
Interest	<u>22.15</u>
Net Investment Earnings	<u>22.15</u>
 Total Additions	 <u>44,488.30</u>
DEDUCTIONS:	
Unemployment Claims	<u>37,105.20</u>
Total Deductions	<u>37,105.20</u>
Change in Net Position	7,383.10
Net Position -- July 1	<u>31,311.91</u>
Net Position -- June 30	<u><u>\$ 38,695.01</u></u>

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

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2015</u>
Ridgway School	\$ 31,268.63	\$ 36,627.94	\$ 39,112.57	\$ 28,784.00
Magowan School	18,477.08	19,357.62	20,635.70	17,199.00
Student Council	964.94	527.49	52.99	1,439.44
Music	766.73	11,898.39	11,778.56	886.56
Pepsi Sales	884.62	276.94	250.48	911.08
PBSIS	3,342.21	4,264.18	5,495.60	2,110.79
Magowan Donations	<u>9,649.70</u>	<u>11,864.50</u>	<u>11,660.89</u>	<u>9,853.31</u>
Total all schools	<u>\$ 65,353.91</u>	<u>\$ 84,817.06</u>	<u>\$ 88,986.79</u>	<u>\$ 61,184.18</u>

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

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ -	\$ 10,802,266.83	\$ 10,352,875.54	\$ 449,391.29
Total Assets	<u>\$ -</u>	<u>\$ 10,802,266.83</u>	<u>\$ 10,352,875.54</u>	<u>\$ 449,391.29</u>
<b>LIABILITIES:</b>				
Net Payroll	\$ -	\$ 4,930,831.53	\$ 4,930,831.53	\$ -
Payroll Deductions and Withholdings		5,835,588.51	5,422,044.01	413,544.50
Interfund Payable:				
Unemployment Fund		4,655.35		4,655.35
General Fund		31,191.44		31,191.44
Total Liabilities	<u>\$ -</u>	<u>\$ 10,802,266.83</u>	<u>\$ 10,352,875.54</u>	<u>\$ 449,391.29</u>

LONG-TERM DEBT

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Debt Service Fund  
 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>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance June 30, 2015</u>
School Addition	08/15/06	\$ 2,366,000.00	02/01/16	\$ 239,000.00	4.000%	\$ 472,000.00	\$ -	\$ 233,000.00	\$ 239,000.00

## EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Debt Service Fund

## Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Debt Service Aid Type II	\$ 85,639.00	-	\$ 85,639.00	\$ 85,639.00	\$ -
Total Revenues	85,639.00	-	85,639.00	85,639.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	49,000.00		49,000.00	18,880.00	(30,120.00)
Redemption of Principal	233,000.00		233,000.00	233,000.00	-
Total Regular Debt Service	282,000.00	-	282,000.00	251,880.00	(30,120.00)
Total Expenditures	282,000.00	-	282,000.00	251,880.00	(30,120.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(196,361.00)	-	(196,361.00)	(166,241.00)	(30,120.00)
Other Financing Sources:					
Transfer in from Enterprise Fund - After School Program	170,266.00		170,266.00	170,266.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(26,095.00)	-	(26,095.00)	4,025.00	(30,120.00)
Fund Balance, July 1	46,895.00	-	46,895.00	46,895.00	-
Fund Balance, June 30	\$ 20,800.00	\$ -	\$ 20,800.00	\$ 50,920.00	\$ (30,120.00)
Recapitulation:					
Restricted Fund Balance				\$ 50,920.00	

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.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ (1,356,210.00)	\$ 822,925.00	\$ 928,888.00	\$ 701,504.00	\$ 2,378,037.00	\$ 2,716,856.00	\$ 2,402,879.00	\$ 3,027,183.62	\$ 3,440,407.48	\$ 3,720,743.43
Restricted for:										
Special Revenue					59,851.00					
Capital Projects	2,268,491.00	289,595.00	277,216.00	600,000.00	236,279.00	1,722,439.00	236,279.00	1,016,110.04	236,279.06	377,852.80
Debt Services		50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	14,345.00	39,028.33	46,936.67
Other Purposes	898,773.00	944,403.00	1,344,435.00	1,984,839.00	2,213,903.00	969,902.00	2,818,173.00	861,195.14	1,013,877.55	326,331.03
Unrestricted	(636,652.00)	(656,045.00)	(804,147.00)	(1,014,507.00)	(1,025,217.00)	(1,007,367.00)	(848,256.00)	(62,801.62)	(726,857.18)	(5,071,117.25)
Total Governmental Activities Net Position	\$ 1,174,402.00	\$ 1,451,611.00	\$ 1,797,108.00	\$ 2,515,340.00	\$ 4,106,513.00	\$ 4,457,906.00	\$ 4,664,995.00	\$ 4,856,032.18	\$ 4,002,735.24	\$ (599,253.32)
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 18,551.00	\$ 29,407.00	\$ 25,034.00	\$ 20,662.00	\$ 20,298.00	\$ 16,835.00	\$ 17,320.00	\$ 39,043.14	\$ 34,647.29	\$ 30,708.11
Unrestricted	1,354,594.00	1,200,072.00	1,495,119.00	1,593,384.00	1,614,260.00	1,666,276.00	1,656,077.00	1,042,912.44	486,110.59	250,419.74
Total Business-Type Activities Net Position	\$ 1,373,145.00	\$ 1,229,479.00	\$ 1,520,153.00	\$ 1,614,046.00	\$ 1,634,558.00	\$ 1,683,111.00	\$ 1,673,397.00	\$ 1,081,955.58	\$ 520,757.88	\$ 281,127.85
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ (1,337,659.00)	\$ 852,332.00	\$ 953,922.00	\$ 722,166.00	\$ 2,398,335.00	\$ 2,733,691.00	\$ 2,420,199.00	\$ 3,066,226.76	\$ 3,475,054.77	\$ 3,751,451.54
Restricted for:										
Special Revenue					59,851.00					
Capital Projects	2,268,491.00	289,595.00	277,216.00	600,000.00	236,279.00	1,722,439.00	236,279.00	1,016,110.04	236,279.06	377,852.80
Debt Services		50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	14,345.00	39,028.33	46,936.67
Other Purposes	898,773.00	944,403.00	1,344,435.00	1,984,839.00	2,213,903.00	969,902.00	2,818,173.00	861,195.14	1,013,877.55	326,331.03
Unrestricted	717,942.00	544,027.00	690,972.00	578,877.00	589,043.00	658,909.00	807,821.00	980,110.82	(240,746.59)	(4,820,697.51)
Total District Net Position	\$ 2,547,547.00	\$ 2,681,090.00	\$ 3,317,261.00	\$ 4,129,386.00	\$ 5,741,071.00	\$ 6,141,017.00	\$ 6,338,392.00	\$ 5,937,987.76	\$ 4,523,493.12	\$ (318,125.47)

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

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

Source: District Records

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 3,882,238.00	\$ 3,954,977.00	\$ 4,096,225.00	\$ 4,078,792.00	\$ 4,362,150.00	\$ 3,998,979.00	\$ 3,461,004.00	\$ 4,213,669.81	\$ 4,697,897.80	\$ 4,707,528.68
Special Education	646,420.00	667,270.00	643,885.00	585,746.00	629,881.00	672,747.00	914,127.00	785,533.38	699,195.94	1,036,383.65
Other Instruction	217,672.00	234,904.00	208,503.00	254,895.00	295,098.00	298,916.00	275,705.00	223,510.84	233,443.79	308,388.42
<b>Support Services:</b>										
Tuition	3,464,835.00	3,231,794.00	3,418,504.00	3,293,837.00	3,230,821.00	3,751,993.00	3,466,698.00	3,334,580.18	3,543,568.74	3,669,008.77
Student and Instruction Related Services	1,238,446.00	1,168,325.00	1,124,607.00	1,448,990.00	1,354,767.00	1,430,520.00	1,508,636.00	1,386,114.38	1,597,339.93	1,519,194.43
School Administrative Services	316,877.00	363,165.00	380,253.00	334,038.00	377,882.00	377,882.00	420,180.00	337,431.35	504,715.77	429,219.88
General and Business Administrative Services	676,517.00	593,335.00	603,082.00	628,155.00	645,400.00	657,265.00	664,693.00	404,098.90	364,165.92	472,181.53
Central Services								265,543.43	225,567.87	205,040.07
Administrative Information Technology								109,313.70	259,668.73	141,721.14
Plant Operations and Maintenance	744,313.00	918,995.00	968,082.00	1,247,774.00	729,597.00	942,418.00	826,412.00	1,123,567.11	1,118,011.25	858,922.10
Pupil Transportation	540,434.00	592,448.00	573,872.00	580,545.00	541,161.00	552,677.00	501,700.00	614,394.69	613,075.32	546,866.68
Unallocated Benefits	2,516,307.00	3,061,445.00	3,180,355.00	2,722,279.00	3,007,955.00	3,006,220.00	3,314,531.00	3,689,828.04	3,701,828.63	5,403,504.35
Transfer to Charter School										65,537.00
Special Schools	6,000.00	12,724.00	13,405.00	14,738.00	12,244.00	52,107.00	42,865.00	40,079.67	34,251.67	24,931.66
Interest on Long-Term Debt	39,494.00	45,565.00	82,391.00	73,635.00	86,177.00	83,477.00	158,306.00	168,588.54	175,687.34	182,746.06
Unallocated Depreciation	14,289,553.00	14,898,837.00	15,368,016.00	15,341,424.00	15,352,303.00	15,824,939.00	15,555,148.00	16,898,254.02	17,768,416.70	19,571,174.42
<b>Total Governmental Activities Expenses</b>										
<b>Business-Type Activities:</b>										
Food Service	267,151.00	284,162.00	271,939.00	332,400.00	361,489.00	358,309.00	379,474.00	390,529.46	400,188.67	399,764.68
After School Program	88,318.00	80,775.00	103,738.00	123,298.00	111,190.00	109,282.00	143,154.00	169,282.22	206,330.21	212,895.50
Tuition Program	881,619.00	693,497.00	696,441.00	918,299.00	839,909.00	916,997.00	815,044.00	812,553.81	583,647.57	612,660.18
<b>Total Business-Type Activities Expense</b>	\$ 1,237,088.00	\$ 1,058,434.00	\$ 1,072,118.00	\$ 1,373,997.00	\$ 1,312,588.00	\$ 1,384,588.00	\$ 1,337,672.00	\$ 1,372,365.49	\$ 1,190,168.45	\$ 1,201,634.60
<b>Total District Expenses</b>	\$ 15,526,641.00	\$ 15,957,271.00	\$ 16,440,134.00	\$ 16,715,421.00	\$ 16,664,891.00	\$ 17,209,507.00	\$ 16,892,820.00	\$ 18,070,619.51	\$ 18,958,883.15	\$ 20,163,834.60

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*  
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 2,207,835.00	\$ 2,275,786.00	\$ 2,608,825.00	\$ 2,951,109.00	\$ 1,867,115.00	\$ 1,920,292.00	\$ 1,868,202.00	\$ 1,888,983.00	\$ 1,881,382.27	\$ 3,286,186.36
Charges for Services									16,077.50	167,556.03
Total Governmental Activities Program Revenues	\$ 2,207,835.00	\$ 2,275,786.00	\$ 2,608,825.00	\$ 2,951,109.00	\$ 1,867,115.00	\$ 1,920,292.00	\$ 1,868,202.00	\$ 1,888,983.00	\$ 1,897,459.77	\$ 3,453,742.39
Business-Type Activities:										
Charges for Services:										
Food Service	98,533.00	90,316.00	114,386.00	108,967.00	166,223.00	160,664.00	152,709.00	155,982.00	131,467.86	123,695.87
After School Program	130,371.00	129,146.00	125,593.00	170,514.00	199,996.00	158,446.00	164,875.00	158,922.00	165,396.90	179,729.80
Tuition Program	1,025,445.00	1,178,398.00	791,163.00	988,302.00	1,013,234.00	969,735.00	1,054,004.00	875,506.00	248,800.00	248,800.00
Operating Grants and Contributions	135,594.00	128,993.00	131,652.00	152,809.00	169,145.00	211,314.00	201,438.00	230,425.00	255,967.35	279,411.77
Total Business Type Activities Program Revenues	\$ 1,389,943.00	\$ 1,526,853.00	\$ 1,162,793.00	\$ 1,390,592.00	\$ 1,548,598.00	\$ 1,501,159.00	\$ 1,573,025.00	\$ 1,420,835.00	\$ 821,632.11	\$ 582,837.44
Total District Program Revenues	\$ 3,597,778.00	\$ 3,802,639.00	\$ 3,771,618.00	\$ 4,341,701.00	\$ 3,415,713.00	\$ 3,421,451.00	\$ 3,441,228.00	\$ 3,309,818.00	\$ 2,719,091.88	\$ 4,036,579.83
Net (Expense)/Revenue:										
Governmental Activities	\$ (12,081,718.00)	\$ (12,623,051.00)	\$ (12,759,191.00)	\$ (12,390,315.00)	\$ (13,485,188.00)	\$ (13,904,647.00)	\$ (13,686,946.00)	\$ (14,809,271.02)	\$ (15,870,956.93)	\$ (16,117,432.03)
Business-Type Activities	152,855.00	469,419.00	90,675.00	16,595.00	236,010.00	116,591.00	235,354.00	49,469.51	668,534.34	(29,822.74)
Total District-Wide Net Expense	\$ (11,928,863.00)	\$ (12,154,632.00)	\$ (12,668,516.00)	\$ (12,373,720.00)	\$ (13,249,178.00)	\$ (13,788,056.00)	\$ (13,451,592.00)	\$ (14,760,801.51)	\$ (16,202,422.59)	\$ (16,147,254.77)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, net	\$ 6,016,093.00	\$ 6,439,639.00	\$ 7,000,303.00	\$ 7,317,531.00	\$ 7,491,510.00	\$ 7,791,170.00	\$ 7,960,155.00	\$ 7,771,800.00	\$ 7,987,511.88	\$ 8,556,158.00
Unrestricted Grants and Contributions	5,044,525.00	5,069,243.00	5,043,229.00	5,305,011.00	6,300,808.00	6,152,782.00	6,022,648.00	6,429,017.00	6,620,279.66	6,635,688.94
State Aid Restricted for Capital Projects						694,298.00				1,812.01
Investment Earnings	20,283.00	110,815.00	1,259.00	982.00	514.00	3,915.00	5,929.00	2,839.00	216,676.45	324,743.23
Miscellaneous Income	111,423.00		210,539.00	184,936.00	172,163.00	202,158.00	169,398.00	246,381.00	(676,763.00)	
Loss on Disposal of Equipment				(113,972.00)						
Transfers	40,000.00	106,732.00	311,891.00	67,916.00	227,546.00	178,841.00	150,000.00	100,000.00	193,192.00	209,807.29
Total Governmental Activities	\$ 11,232,324.00	\$ 11,716,429.00	\$ 12,567,221.00	\$ 12,762,404.00	\$ 14,192,541.00	\$ 15,023,164.00	\$ 14,308,130.00	\$ 13,873,254.00	\$ 15,017,659.99	\$ 15,728,209.47
Business-Type Activities:										
Investment Earnings	1,545.00	1,766.00	63,866.00	40,116.00	13,574.00	11,082.00	9,795.00	3,346.00	528.64	
Gain on Disposal of Equipment										
Transfers	(40,000.00)	(106,732.00)	(311,891.00)	(67,916.00)	(227,546.00)	(178,841.00)	(150,000.00)	(100,000.00)	(193,192.00)	(209,807.29)
Total Business-Type Activities	\$ (38,455.00)	\$ (104,966.00)	\$ (248,025.00)	\$ (27,800.00)	\$ (84,282.00)	\$ (178,841.00)	\$ (140,205.00)	\$ (92,877.00)	\$ (192,663.36)	\$ (209,807.29)
Total District-Wide	\$ 11,193,869.00	\$ 11,611,463.00	\$ 12,319,196.00	\$ 12,734,604.00	\$ 14,111,833.00	\$ 14,855,405.00	\$ 14,167,925.00	\$ 13,780,377.00	\$ 14,824,996.63	\$ 15,518,402.18
Change in Net Position:										
Governmental Activities	\$ (849,394.00)	\$ (906,622.00)	\$ (191,970.00)	\$ 372,089.00	\$ 707,353.00	\$ 1,118,517.00	\$ 621,184.00	\$ (936,017.02)	\$ (853,296.94)	\$ (389,222.56)
Business-Type Activities	114,400.00	363,453.00	(157,350.00)	(11,205.00)	155,302.00	(51,168.00)	95,149.00	(44,407.49)	(661,197.70)	(239,630.03)
Total District	\$ (734,994.00)	\$ (543,169.00)	\$ (349,320.00)	\$ 360,884.00	\$ 862,655.00	\$ 1,067,349.00	\$ 716,333.00	\$ (980,424.51)	\$ (1,414,494.64)	\$ (628,852.59)

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed. See the notes to the financial statements.

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

Source: District Records

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted for:										
Capital Reserve	\$ 31,471.00	\$ 32,730.00	\$ 33,712.00	\$ 783,712.00	\$ 787,573.00	\$ 1,486,160.00	\$ 1,244,348.00	\$ 779,830.98	\$ 361,916.51	\$ 141,573.74
Excess Surplus	190,343.00	754,060.00	590,375.00	303,791.00	559,449.00	72,080.00	916,409.00	1,198,755.14	427,812.67	145,466.67
Emergency Reserve				250,000.00	250,000.00	262,000.00	262,000.00	184,000.00	184,102.35	176,784.64
Maintenance Reserve							100,001.00	100,001.00	40,046.02	4,079.72
Assigned to:										
Encumbrances					81,523.00			101,589.56	14,198.28	34,270.64
Designated for Subsequent Year's Budget	708,430.00	190,343.00	754,060.00	647,336.00	535,358.00	635,842.00	295,415.00	98,321.00	98,321.00	101,760.82
Unassigned	16,719.00	23,920.00	16,297.00	(307,397.00)	(302,759.00)	(248,157.00)	(293,216.00)	(285,501.83)	(275,266.32)	(293,314.88)
Total General Fund	<u>\$ 946,963.00</u>	<u>\$ 1,001,053.00</u>	<u>\$ 1,394,444.00</u>	<u>\$ 1,677,442.00</u>	<u>\$ 1,911,144.00</u>	<u>\$ 2,207,925.00</u>	<u>\$ 2,524,957.00</u>	<u>\$ 2,078,674.85</u>	<u>\$ 851,130.51</u>	<u>\$ 310,621.35</u>
All Other Governmental Funds:										
Unassigned, Reported In:	\$ -	\$ (38,492.00)	\$ (43,967.00)	\$ -	\$ 59,851.00	\$ -	\$ -	\$ (12,506.00)	\$ (11,355.10)	\$ (9,380.30)
Special Revenue Fund										
Restricted, Reported In:	2,237,020.00	256,865.00	243,504.00	600,000.00	236,279.00	236,279.00	236,279.00	236,279.06	236,279.06	236,279.06
Capital Projects Fund		50,733.00	50,716.00	243,504.00	243,660.00	56,076.00	55,920.00	26,095.00	46,895.00	50,920.00
Debt Service Fund				843,504.00	539,790.00	292,355.00	292,199.00	249,868.06	271,818.96	277,818.76
Total All Other Governmental Funds	<u>\$ 2,237,020.00</u>	<u>\$ 269,106.00</u>	<u>\$ 250,253.00</u>	<u>\$ 843,504.00</u>	<u>\$ 539,790.00</u>	<u>\$ 292,355.00</u>	<u>\$ 292,199.00</u>	<u>\$ 249,868.06</u>	<u>\$ 271,818.96</u>	<u>\$ 277,818.76</u>

In accordance with GASBS No. 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify Fund Balance was changed. See the notes to the financial statements.

Source: District Records

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>	\$ 6,439,639.00	\$ 7,000,303.00	\$ 7,317,531.00	\$ 7,491,510.00	\$ 7,791,170.00	\$ 7,960,155.00	\$ 7,771,800.00	\$ 7,927,236.00	\$ 7,987,511.88	\$ 8,556,158.00
Tax Levy							16,428.00			
Transportation Fees		1,259.00	982.00	514.00	3,915.00	5,929.00	2,839.00	154,703.30	232,753.95	494,111.27
Interest Earnings	110,815.00	210,539.00	184,936.00	172,163.00	202,158.00	319,398.00	229,953.00	8,061,297.48	7,854,742.13	8,077,124.00
Unrestricted Miscellaneous Revenues	6,779,893.00	7,096,564.00	7,645,926.00	7,360,155.00	6,867,774.00	7,065,078.00	7,387,336.00	543,242.98	646,919.80	615,289.30
State Sources	609,069.00	553,242.00	610,194.00	807,768.00	1,899,598.00	769,305.00	930,664.00	16,686,479.76	16,721,927.76	17,742,682.57
Federal Sources	13,939,416.00	14,861,907.00	15,759,569.00	15,832,110.00	16,764,615.00	16,119,865.00	16,339,020.00			
<b>Total Revenue</b>										
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	3,831,238.00	3,958,043.00	3,944,836.00	4,133,576.00	4,349,689.00	3,944,400.00	3,639,215.00	4,184,238.47	4,673,040.81	4,673,571.30
Special Education Instruction	646,420.00	667,270.00	643,885.00	585,746.00	629,861.00	672,747.00	914,127.00	785,533.38	699,195.94	1,036,383.65
Other Instruction	217,672.00	234,904.00	208,503.00	254,895.00	295,098.00	298,916.00	275,705.00	223,510.84	233,443.79	308,388.42
<b>Support Services:</b>										
Tuition	3,464,835.00	3,231,794.00	3,418,504.00	3,293,937.00	3,230,821.00	3,751,993.00	3,466,698.00	3,334,580.18	3,543,568.74	3,669,008.77
Student & Inst. Related Services	1,238,446.00	1,168,325.00	1,124,607.00	1,448,990.00	1,354,787.00	1,430,520.00	1,508,836.00	1,388,114.38	1,597,339.93	1,519,194.43
School Administrative Services	316,877.00	363,165.00	380,253.00	334,038.00	377,882.00	377,620.00	420,180.00	404,098.90	364,165.92	472,181.53
General and Business Administrative Services	642,188.00	584,586.00	594,322.00	613,246.00	630,637.00	642,502.00	650,739.00	316,294.67	470,320.69	368,425.32
Central Services								265,543.43	225,567.87	205,040.07
Administrative Information Technology								109,313.70	259,668.73	141,721.14
Plant Operations and Maintenance	857,187.00	926,728.00	965,386.00	1,064,002.00	949,257.00	884,385.00	918,784.00	1,057,771.24	1,114,718.91	855,997.84
Pupil Transportation	526,065.00	576,557.00	556,528.00	561,727.00	523,849.00	535,365.00	489,274.00	605,328.09	607,068.15	543,918.95
Employee Benefits	2,516,307.00	3,061,445.00	3,180,355.00	2,722,279.00	3,007,955.00	3,006,220.00	3,314,531.00	3,744,906.04	3,637,015.94	4,035,109.86
Special Schools	6,000.00	12,724.00	13,405.00	14,738.00	12,244.00					65,537.00
Capital Outlay	264,299.00	2,040,923.00	106,972.00	449,598.00	1,353,490.00	237,002.00	244,195.00	681,709.06	321,134.69	330,705.94
Debt Service:										
Principal		233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	233,000.00	336,328.09	233,000.00
Interest and Other Charges		45,555.00	82,391.00	73,635.00	64,898.00	55,889.00	46,840.00	43,963.00	38,135.00	28,815.00
<b>Total Expenditures</b>	<u>14,527,534.00</u>	<u>17,105,019.00</u>	<u>15,452,947.00</u>	<u>15,783,407.00</u>	<u>17,013,468.00</u>	<u>16,070,539.00</u>	<u>16,122,124.00</u>	<u>17,377,905.38</u>	<u>18,120,713.20</u>	<u>18,486,999.22</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(588,118.00)	(2,243,112.00)	306,622.00	48,703.00	(248,853.00)	49,326.00	216,896.00	(691,425.62)	(1,398,785.44)	(744,316.65)
<b>Other Financing Sources (Uses):</b>										
Proceeds from Borrowing	2,336,035.00	2,248.00		600,000.00						
Transfers In	161,732.00	327,040.00	77,804.00	506,050.00	176,895.00	57,342.00	222,149.00	214,614.34	193,192.00	209,807.29
Transfers Out	(55,000.00)	(9,888.00)	(9,888.00)	(278,504.00)	(54.00)	(57,342.00)	(122,149.00)			
<b>Total Other Financing Sources (Uses)</b>	<u>2,442,767.00</u>	<u>329,288.00</u>	<u>67,916.00</u>	<u>827,546.00</u>	<u>178,841.00</u>	<u>-</u>	<u>100,000.00</u>	<u>214,614.34</u>	<u>193,192.00</u>	<u>209,807.29</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,854,649.00</u>	<u>\$ (1,913,824.00)</u>	<u>\$ 374,538.00</u>	<u>\$ 876,249.00</u>	<u>\$ (70,012.00)</u>	<u>\$ 49,326.00</u>	<u>\$ 316,896.00</u>	<u>\$ (476,811.28)</u>	<u>\$ (1,205,593.44)</u>	<u>\$ (534,509.36)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	0.00%	1.85%	2.06%	2.00%	1.90%	1.82%	1.76%	1.66%	2.10%	1.44%

Source: District Records

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 General Fund - Other Local Revenue By Source  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest	\$ 74,565.00	\$ 139,940.00	\$ 69,895.00	\$ 24,040.00	\$ 25,258.00	\$ 25,863.00	\$ 14,218.00	\$ 3,341.05	\$ 1,952.03	\$ 1,812.01
Tuition			6,061.00	47,215.00	20,783.00	31,965.00	16,428.00			
E-Rate				9,541.00		16,352.00	17,426.00	18,122.63	21,747.23	9,260.56
X-Tel										55,749.93
Donations						5,695.00	1,126.00			
Prior Year Refunds	36,250.00	71,247.00	39,180.00	36,456.00	51,284.00	6,440.00	107,084.00	17,260.31	2,761.29	39,235.79
Rentals			65,038.00	62,051.00	90,861.00	88,992.00	68,440.00	75,871.87	88,550.00	
Sale of Bus									35,000.00	
Prior Year Cancelled Checks						20.00				55,180.26
Miscellaneous		611.00	5,744.00	2,915.00	8,346.00		24,498.00	12,761.91	65,978.05	52,026.13
	<u>\$ 110,815.00</u>	<u>\$ 211,798.00</u>	<u>\$ 185,918.00</u>	<u>\$ 172,677.00</u>	<u>\$ 206,073.00</u>	<u>\$ 175,327.00</u>	<u>\$ 249,220.00</u>	<u>\$ 127,357.77</u>	<u>\$ 215,988.60</u>	<u>\$ 213,264.68</u>

Source: District Records

## Revenue Capacity Information

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property

Last Ten Years  
*Unaudited*

Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax - Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2015	\$ 8,453,400	\$ 458,273,500	\$ 1,236,700	\$ 166,900	\$ 64,046,100	\$ 7,027,900	\$ 64,891,400	\$ 604,095,900	\$ 100	\$ 604,096,000	\$ 79,587,700	\$ 579,301,884	\$ 1.480
2014	7,693,400	461,491,000	1,236,700	166,900	65,565,600	7,027,900	64,891,400	608,072,900	430,120	608,503,020	80,368,900	654,847,299	1.359
2013	8,058,700	463,867,700	1,236,700	166,900	65,670,500	7,351,900	64,891,400	611,243,800	602,419	611,846,219	80,212,800	569,624,761	1.300
2012	9,118,700	465,201,000	1,236,700	166,900	64,329,500	7,501,900	69,104,400	616,659,100	657,881	617,316,981	79,875,200	587,422,706	1.272
2011	R 9,456,800	469,168,600	1,236,700	166,900	64,429,000	7,614,500	69,402,900	621,475,400	682,336	622,157,736	78,685,200	623,764,882	1.264
2010	3,420,800	238,723,600	602,200	134,700	33,643,600	4,442,100	26,297,800	307,264,800	412,610	307,677,410	43,563,000	638,237,202	2.560
2009	3,518,100	238,411,200	602,200	134,700	34,055,300	4,442,100	28,767,400	309,931,000	394,085	310,325,085	43,593,100	675,262,675	2.462
2008	3,678,100	237,762,400	602,200	134,700	34,417,300	4,442,100	29,717,400	310,754,200	379,967	311,134,167	43,593,100	642,390,317	2.380
2007	3,086,600	237,589,700	602,200	134,700	33,838,100	4,442,100	30,490,400	310,183,800	404,619	310,588,419	44,326,500	578,151,424	2.305
2006	3,314,600	236,006,300	602,000	134,700	34,221,600	4,442,100	30,931,500	309,652,800	456,061	310,108,861	44,380,100	497,610,337	2.167

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

b Tax rates are per \$100

R Revaluation Year

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Per \$100.00 of Assessed Valuation

Last Ten Years

*Unaudited*

Year	School District Direct Rate			Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township of Edgewater Park	Fire District	Burlington County			
2015	\$ 1,480	\$ -	\$ 1,480	\$ 0.741	\$ 0.065	\$ 0.399	\$	2.685	
2014	1,359		1,359	0.706	0.063	0.412		2.540	
2013	1,300		1,300	0.659	0.053	0.356		2.368	
2012	1,272		1,272	0.638	0.053	0.360		2.323	
2011	1,264		1,264	0.618	0.051	0.381		2.314	
2010	2,560		2,560	0.193	0.101	0.788		3.642	
2009	2,462		2,462	1.064	0.100	0.828		4.454	
2008	2,380		2,380	0.990	0.100	0.803		4.273	
2007	2,305		2,305	0.941	0.100	0.784		4.130	
2006	2,167		2,167	0.818	0.099	0.710		3.794	
2005	2,002		2,002	0.788	0.097	0.680		3.567	

Source: Abstract of Ratables for the County of Burlington

R - Revaluation

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

Principal Property Taxpayers  
Current Year and Nine Years Ago  
*Unaudited*

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% to Total District Net Assessed Value	Taxable Assessed Value	Rank	% to Total District Net Assessed Value
Edgewater Park Real Estate	\$ 19,350,000.00	1	3.20%	\$ 10,773,000.00	1	3.47%
Edgewater Manor Apartments	18,500,000.00	2	3.06%	9,000,000.00	2	2.90%
East Coast Woodlane Crossings	15,372,900.00	3	2.54%			
Rosemar Properties	10,803,200.00	4	1.79%	5,675,000.00	5&7	1.83%
Pathmark Stores	7,917,000.00	5	1.31%			
Burlington Coat Factory Warehouse	5,552,100.00	6	0.92%			
ALDI, Inc	4,510,000.00	7	0.75%			
Ariel Realty	3,583,400.00	8	0.59%			
Edgewater Partnership	3,366,000.00	9	0.56%	2,459,500.00	6	0.79%
Public Storage Management	3,068,900.00	10	0.51%	1,808,300.00	9	0.58%
Bridge Stuart, Inc.				5,493,300.00	3	1.77%
Edgewater Beach Apartments				5,250,000.00	4	1.69%
D.S.I. Realty				2,000,300.00	8	0.65%
L&M Distribution Center				1,545,600.00	10	0.50%
<b>Total</b>	<b>\$ 92,023,500.00</b>		<b>15.23%</b>	<b>44,005,000.00</b>		<b>14.19%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 8,556,158.00	\$ 8,556,158.00	100.00%	\$ -
2014	7,986,736.00	7,986,736.00	100.00%	-
2013	7,927,236.00	7,187,167.38	90.66%	647,650.00
2012	7,771,800.00	7,771,800.00	100.00%	-
2011	7,960,155.00	7,960,155.00	100.00%	-
2010	7,791,170.00	7,791,170.00	100.00%	-
2009	7,491,510.00	7,491,510.00	100.00%	-
2008	7,317,531.00	7,317,531.00	100.00%	-
2007	7,000,303.00	7,000,303.00	100.00%	-
2006	6,439,639.00	6,439,639.00	100.00%	-

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

Source: District Records

# Debt Capacity Information

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation		Capital Leases				
	Bonds	Capital Leases	Capital Leases	Leases			
2015	\$ 239,000.00	\$ -	\$ -	\$ -	\$ 239,000.00	Not Available	Not Available
2014	472,000.00	-	-	-	472,000.00	Not Available	\$ 53.60
2013	705,000.00	103,328.09	-	-	808,328.09	0.18%	91.55
2012	938,000.00	202,969.00	-	-	1,140,969.00	0.25%	128.59
2011	1,171,000.00	299,056.00	-	-	1,470,056.00	0.33%	165.55
2010	1,404,000.00	422,872.00	-	-	1,826,872.00	0.43%	205.82
2009	1,637,000.00	645,220.00	-	-	2,282,220.00	0.62%	295.59
2008	1,870,000.00	58,359.00	-	-	1,928,359.00	0.52%	250.47
2007	2,103,000.00	10,452.00	-	-	2,113,452.00	0.59%	272.49
2006	2,336,035.00	20,614.00	-	-	2,356,649.00	0.67%	298.16

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 239,000.00	\$ -	\$ 239,000.00	0.04%	Not Available
2014	472,000.00	-	472,000.00	0.08%	\$ 53.60
2013	705,000.00	-	705,000.00	0.11%	79.85
2012	938,000.00	-	938,000.00	0.15%	105.71
2011	1,171,000.00	-	1,171,000.00	0.38%	131.87
2010	1,404,000.00	-	1,404,000.00	0.45%	158.18
2009	1,637,000.00	-	1,637,000.00	0.53%	212.02
2008	1,870,000.00	-	1,870,000.00	0.60%	242.89
2007	2,103,000.00	-	2,103,000.00	0.68%	271.14
2006	2,336,035.00	-	2,336,035.00	0.75%	295.55

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

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2014  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Net Debt Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of Edgewater Park	\$ 5,873,792.00	100.00%	\$ 5,873,792.00
Burlington County General Obligation Debt	233,692,794.00	1.34%	<u>3,122,663.06</u>
Subtotal, Overlapping Debt			8,996,455.06
Edgewater Park Township School District Direct Debt (1)	239,000.00	100.00%	<u>239,000.00</u>
Total Direct and Overlapping Debt			<u>\$ 9,235,455.06</u>

## Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2014 Equalized Valuation. The source for this computation was the 2014 County Abstract of Ratables, provided by the County Board of Taxation.
- (A) The debt for this entity was apportioned to Edgewater Park Township by dividing the Township's 2014 equalized value by the total 2014 equalized value for the County of Burlington, which results in an apportionment of 1.34%.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debit Limit	\$ 18,109,857.46	\$ 18,146,105.62	\$ 17,791,674.05	\$ 18,434,787.00	\$ 19,284,981.00	\$ 19,464,055.00	\$ 18,805,083.00	\$ 17,030,168.00	\$ 15,250,255.00	\$ 13,406,283.00
Total net debt applicable to limit (3)	239,000.00	472,000.00	705,000.00	938,000.00	1,171,000.00	1,404,000.00	1,637,000.00	1,870,000.00	2,103,000.00	2,336,035.00
Legal Debt Margin	<u>\$ 17,870,857.46</u>	<u>\$ 17,674,105.62</u>	<u>\$ 17,086,674.05</u>	<u>\$ 17,496,787.00</u>	<u>\$ 18,113,981.00</u>	<u>\$ 18,060,055.00</u>	<u>\$ 17,168,083.00</u>	<u>\$ 15,160,168.00</u>	<u>\$ 13,147,255.00</u>	<u>\$ 11,070,248.00</u>
Total net debt applicable to the limit as a percentage of debt limit	1.32%	2.60%	3.96%	5.09%	6.07%	7.21%	8.71%	10.98%	13.79%	17.42%

	2014	2013	2012	[A]
Equalized Valuation Basis (1)	\$ 583,115,554.00	\$ 653,806,610.00	\$ 574,063,582.00	<u>\$ 1,810,985,746.00</u>
	[A/3]			
Average equalized valuation of taxable property	\$ 603,661,915.33			
Debt limit (3% of average equalization value) (2)	[B]			
Total Net Debt Applicable to Limit	18,109,857.46			
Legal Debt Margin	<u>\$ 17,870,857.46</u>			

Sources:

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

## Demographic and Economic Information

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2014	8,806	Not Available	Not Available	7.60%
2013	8,829	\$ 455,911,902.00	\$ 51,638.00	10.40%
2012	8,873	453,845,077.00	51,149.00	11.90%
2011	8,880	439,302,480.00	49,471.00	11.50%
2010	8,876	422,373,336.00	47,586.00	11.80%
2009	7,721	365,851,864.00	47,384.00	11.10%
2008	7,699	367,688,842.00	47,758.00	6.50%
2007	7,756	359,064,020.00	46,295.00	4.80%
2006	7,904	351,878,176.00	44,519.00	5.30%
2005	7,942	333,595,768.00	42,004.00	4.80%

(1) Population information provided by the NJ Dept. Of Labor and Workforce Development

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

(3) Per Capita personal income by municipality-estimated based upon the 2000 Census published

(4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**

Principal Employers

Current Year and Nine Years Ago

*Unaudited*

Employer	2015			2006		
	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment (1)

Information Not Available

## 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.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Nine Fiscal Years  
*Unaudited*

<u>Function/Program</u>	Fiscal Year Ended June 30,								
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:									
Regular	63	63	69	69	69	69	69	49	51
Special Education	14	14	12	12	12	12	12	12	12
Other Instruction	7	7	6	6	7	7	7	12	11
Support Services:									
Student and Instruction Related Services	16	16	15	15	16	16	16	10	10
School Administrative Services	10	10	9	9	9	8	8	6	6
General Administration	4	4	4	4	4	4	4	1	4
Plant Operations and Maintenance	12	12	12	12	11	11	11	4	4
Pupil Transportation	4	4	3	3	2	2	1	1	
Food Service	4	4	2	2					
<b>Total</b>	<u>134</u>	<u>134</u>	<u>132</u>	<u>132</u>	<u>130</u>	<u>129</u>	<u>128</u>	<u>95</u>	<u>97</u>

Source: District Personnel Records

## EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Operating Statistics  
Last Ten Fiscal Years  
*Unaudited*

Fiscal Year June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2015	868.0	\$ 18,026,933.86	\$ 20,768.36	2.61%	73	1:12	1:12	868.0	826.0	-0.34%	95.16%
2014	873.0	17,669,321.49	20,239.77	7.36%	81	1:10	1:10	871.0	830.0	4.74%	95.29%
2013	883.0	16,645,864.38	18,851.49	3.09%	81	1:10	1:10	831.6	762.4	-3.53%	91.68%
2012	853.0	15,598,089.00	18,286.15	0.34%	81	1:10	1:10	862.0	813.6	1.52%	94.39%
2011	853.0	15,544,688.00	18,223.55	4.04%	81	1:10	1:10	849.1	799.7	-2.08%	94.18%
2010	877.0	15,362,080.00	17,516.62	-3.37%	81	1:10	1:10	867.1	815.8	3.70%	94.08%
2009	829.0	15,027,174.00	18,126.87	0.34%	81	1:10	1:10	836.2	791.7	1.23%	94.68%
2008	832.0	15,030,584.00	18,065.61	5.69%	80	1:13	1:10	826.0	785.0	-2.91%	95.04%
2007	865.0	14,785,541.00	17,093.11	4.86%	80	1:13	1:10	850.8	807.3	-2.21%	94.89%
2006	875.0	14,263,235.00	16,300.84	13.34%	93	1:11	1:11	870.0	823.0	-6.30%	94.60%

**Sources:** District records

- a Operating expenditures equal total expenditures less debt service and capital outlay.  
b Teaching staff includes only full-time equivalents of certificated staff.  
c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Magowan School (1955):										
Square Feet	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410	68,410
Capacity (students)	736	736	736	736	736	736	736	736	736	736
Enrollment	540	537	510	507	520	512	512	520	520	532
<b><u>Middle School</u></b>										
Ridgway School (1969):										
Square Feet	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744	65,744
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	335	328	322	322	357	341	341	363	363	336

Number of Schools at June 30, 2015  
 Elementary = 1  
 Middle School = 1

Source: District Records  
 Note: Enrollment is based on the annual October district count.

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

* School Facilities	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Undistributed Expenditures - Required Maintenance for School Facilities 11-000-261-xxx										
Magowan School	\$ 21,946.00	\$ 33,963.00	\$ 27,319.00	\$ 33,669.00	\$ 29,454.00	\$ 5,684.00	\$ 32,381.00	\$ 43,376.74	\$ 42,442.50	\$ 18,468.73
Ridgway School	15,250.00	10,662.00	18,985.00	44,945.00	23,255.00	19,705.00	23,619.00	21,196.27	21,637.24	17,500.95
	\$ 37,196.00	\$ 44,625.00	\$ 46,304.00	\$ 78,614.00	\$ 52,709.00	\$ 25,389.00	\$ 56,000.00	\$ 64,573.01	\$ 64,079.74	\$ 35,969.68

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

## EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2015

*Unaudited*


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	<u>Coverage</u>	<u>Self-Insured Retention</u>	<u>Deductible</u>
School Package Property (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 29,940,881		\$ 1,000
General Liability	3,000,000		1,000
Automobile Liability	1,000,000		250
Inland Marine	500,000		500
Crime Coverage	100,000		500
Commercial Umbrella (2)	10,000,000	\$ 10,000	
Workers' Compensation (3)	Statutory		
Student Accident (4)	1,000,000		
Surety Bonds (5)			
Board Secretary	300,000		
Chief School Administrator	225,000		

(1) Republic Franklin Insurance

(2) Utica Mutual Insurance Company

(3) New Jersey School Boards Association Insurance Group

(4) Berkley Life and Health

(5) RLI Insurance Company

Source: 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  
Edgewater Park Township School District  
Edgewater Park, New Jersey 08010

***Report on Compliance for Each Major Federal and State Program***

We have audited the Edgewater Park Township School District's 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 Edgewater Park Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. 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 Edgewater Park Township School District 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**

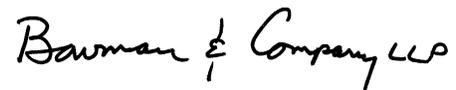
Management of the Edgewater Park Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal 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  
 Certified Public Accountants  
 & Consultants



Robert P. Nehila, Jr.  
 Certified Public Accountant  
 Public School Accountant No. CS 002065

Voorhees, New Jersey  
 December 1, 2015

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2015

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
<b>U.S. Department of Education:</b>					
<b>General Fund:</b>					
Passed-through State Department of Education:					
ARRA - Medical Assistance Program (SEMI)	93.778	N/A	\$ 3,439.49	10/01/08	12/31/10
Medical Assistance Program (SEMI)	93.778	N/A	5,054.45	07/01/14	06/30/15
Total General Fund					
<b>Special Revenue Fund:</b>					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I, Part A	84.010A	NCLB128014	297,629.00	07/01/13	06/30/14
Title I, Part A	84.010A	NCLB128015	319,393.00	07/01/14	06/30/15
Total Title I, Part A					
Title II, Part A Improving Teacher Quality	84.367A	NCLB128013	23,099.00	09/01/12	08/31/13
Title II, Part A Improving Teacher Quality	84.367A	NCLB128014	23,112.00	07/01/13	06/30/14
Title II, Part A Improving Teacher Quality	84.367A	NCLB128015	23,524.00	07/01/14	06/30/15
Total Title II, Part A Improving Teacher Quality					
Title III	84.365A	NCLB128014	18,287.00	07/01/13	06/30/14
Title III	84.365A	NCLB128015	19,441.00	07/01/14	06/30/15
Total Title III					
Title III - Immigrant	84.365A	NCLB128012	6,637.00	09/01/11	08/31/12
Title III - Immigrant	84.365A	NCLB128013	6,637.00	09/01/12	08/31/13
Title III - Immigrant	84.365A	NCLB128014	6,556.00	07/01/13	06/30/14
Title III - Immigrant	84.365A	NCLB128015	6,992.00	07/01/14	06/30/15
Total Title III - Immigrant					
I.D.E.A., Part B:					
Special Education Cluster:					
Preschool	84.173	PS128014	11,359.00	07/01/13	06/30/14
Preschool	84.173	PS128015	11,162.00	09/01/14	08/31/15
Basic Regular	84.027	FT128013	257,750.00	07/01/12	06/30/13
Basic Regular	84.027	FT128014	260,750.00	07/01/13	06/30/14
Basic Regular	84.027	FT128015	253,983.00	09/01/14	08/31/15
Total I.D.E.A. Part B Special Education Cluster					
Race To The Top	84.413A	B413A120008	20,256.00	09/01/11	11/30/15
Total Special Revenue Fund					
<b>Enterprise Fund:</b>					
U.S. Department of Agriculture					
Passed-through State Department of Agriculture:					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
Food Distribution Program	10.555	N/A	33,870.35	07/01/14	06/30/15
Cash Assistance:					
School Breakfast Program	10.553	N/A	30,387.56	07/01/13	06/30/14
School Breakfast Program	10.553	N/A	34,589.54	07/01/14	06/30/15
After School Snack Program	10.555	N/A	3,774.60	07/01/13	06/30/14
After School Snack Program	10.555	N/A	3,841.59	07/01/14	06/30/15
National School Lunch Program	10.555	N/A	187,342.24	07/01/13	06/30/14
National School Lunch Program	10.555	N/A	201,661.22	07/01/14	06/30/15
Special Milk Program for Children	10.556	N/A	874.06	07/01/13	06/30/14
Special Milk Program for Children	10.556	N/A	897.95	07/01/14	06/30/15
Total Child Nutrition Cluster					
Total Enterprise Fund					
Total Federal Financial Assistance					

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

Balance June 30, 2014	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2015		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ -	\$ -	\$ 3,439.49 5,054.45	\$ (3,439.49) (5,054.45)	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	8,493.94	(8,493.94)	-	-	-	-	-
(117,448.09)	(30,951.00) 30,951.00	104,752.00 177,917.00	(266,604.16)	12,696.09 (12,696.09)	-	(172,427.00)	71,043.75	-
(117,448.09)	-	282,669.00	(266,604.16)	-	-	(172,427.00)	71,043.75	-
2,202.00 -	(23,112.00) 23,112.00	26,849.00	(32,266.24)	-	-	(19,787.00)	14,369.76	2,202.00
2,202.00	-	26,849.00	(32,266.24)	-	-	(19,787.00)	14,369.76	2,202.00
(16,446.08)	(16,445.00) 16,445.00	6,690.00 14,661.00	(26,129.92)	9,756.08 (9,756.08)	-	(21,225.00)	-	-
(16,446.08)	-	21,351.00	(26,129.92)	-	-	(21,225.00)	-	-
1,749.00 2,444.00 (5,018.00)	(1,538.00) 1,538.00	5,018.00	(1,749.00) (2,444.00) (4,716.32)	-	-	(8,530.00)	3,813.68	-
(825.00)	-	5,018.00	(8,909.32)	-	-	(8,530.00)	3,813.68	-
(4,160.00) -	(7,199.00) 7,199.00 (10,619.00)	4,160.00	(16,961.96)	-	-	(18,361.00)	1,399.04	-
(260,750.00)	10,619.00	260,750.00 119,000.00	(264,602.00)	-	-	(145,602.00)	-	-
(264,910.00)	-	383,910.00	(281,563.96)	-	-	(163,963.00)	1,399.04	-
(5,899.00)	-	-	-	-	-	(5,899.00)	-	-
(403,326.17)	-	719,797.00	(615,473.60)	-	-	(391,831.00)	90,626.23	2,202.00
(6,722.43)	-	33,870.35 6,722.43 31,084.87	(30,696.69) (34,589.54)	-	-	(3,504.67)	3,173.66	-
(705.11)	-	705.11 3,518.95	(3,841.59)	-	-	(322.64)	-	-
(36,806.01)	-	36,806.01 186,358.24	(201,661.22)	-	-	(15,302.98)	-	-
(167.23)	-	167.23 839.60	(897.95)	-	-	(58.35)	-	-
(44,400.78)	-	300,072.79	(271,686.99)	-	-	(19,188.64)	3,173.66	-
(44,400.78)	-	300,072.79	(271,686.99)	-	-	(19,188.64)	3,173.66	-
\$ (447,726.95)	\$ -	\$ 1,028,363.73	\$ (895,654.53)	\$ -	\$ -	\$ (411,019.64)	\$ 93,799.89	\$ 2,202.00

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2015

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2014</u>	<u>Carryover/ (Walkover) Amount</u>
			<u>From</u>	<u>To</u>		
<b>General Fund:</b>						
Current Expense:						
State Aid - Public Cluster:						
Equalization Aid	15-495-034-5120-078	\$ 5,627,373.00	07/01/14	06/30/15	\$ -	\$ -
Equalization Aid	14-495-034-5120-078	5,627,373.00	07/01/13	06/30/14	(513,678.97)	
Special Education Categorical Aid	15-495-034-5120-089	583,952.00	07/01/14	06/30/15		
Special Education Categorical Aid	14-495-034-5120-089	583,952.00	07/01/13	06/30/14	(53,304.42)	
Under Adequacy Aid	15-495-034-5120-096	4,746.00	07/01/14	06/30/15		
Under Adequacy Aid	14-495-034-5120-096	4,746.00	07/01/13	06/30/14	(433.23)	
Per Pupil Growth Aid	15-495-034-5120-097	10,300.00	07/01/14	06/30/15		
PARCC Readiness	15-495-034-5120-098	10,300.00	07/01/14	06/30/15		
Security Aid	15-495-034-5120-084	248,909.00	07/01/14	06/30/15		
Security Aid	14-495-034-5120-084	248,909.00	07/01/13	06/30/14	(22,720.96)	
Total State Aid - Public Cluster					(590,137.58)	-
Transportation Aid:						
Categorical Transportation Aid	15-495-034-5120-014	133,655.00	07/01/14	06/30/15		
Categorical Transportation Aid	14-495-034-5120-014	133,655.00	07/01/13	06/30/14	(12,200.32)	
Nonpublic Transportation Aid	15-495-034-5120-014	6,264.00	07/01/14	06/30/15		
Nonpublic Transportation Aid	14-495-034-5120-014	5,916.00	07/01/13	06/30/14	(5,916.00)	
Total Transportation Aid					(18,116.32)	-
Reimbursed TPAF Social Security Contrib.						
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	423,820.00	07/01/14	06/30/15		
Reimbursed TPAF Social Security Contrib.	14-495-034-5095-002	435,538.33	07/01/13	06/30/14	(20,965.36)	
Total Reimbursed TPAF Social Security Contributions					(20,965.36)	-
Total General Fund					(629,219.26)	-
<b>Special Revenue Fund:</b>						
New Jersey Department of Education						
Preschool Education Aid	15-495-034-5120-086	93,803.00	07/01/14	06/30/15		9,451.00
Preschool Education Aid	14-495-034-5120-086	113,551.00	07/01/13	06/30/14	(11,354.90)	
Preschool Education Aid	13-495-034-5120-086	125,060.00	07/01/12	06/30/13	9,451.37	(9,451.00)
Total Special Revenue Fund					(1,903.53)	-
<b>Debt Service Fund:</b>						
Debt Service Type II Aid	15-495-034-5120-017	85,639.00	07/01/14	06/30/15		
Total Debt Service Fund					-	-
<b>Capital Projects Fund:</b>						
NJ Economic Development Authority:						
EDA Educational Facilities Construction and Financing Act - Section 15:						
2009 Allotment:						
Magowan School Renovations	1280-050-09-1001	516,305.00	07/01/09	06/30/10	(197,812.36)	
Ridgway School Renovations	1280-070-09-1002	393,096.00	07/01/09	06/30/10	54,473.76	
Total Capital Projects Fund					(143,338.60)	-
<b>Enterprise Fund:</b>						
State Department of Agriculture						
State School Lunch Program	14-100-010-3350-023	4,454.63	07/01/13	06/30/14	(852.26)	
State School Lunch Program	15-100-010-3350-023	4,551.12	07/01/14	06/30/15		
Total Enterprise Fund					(852.26)	-
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					(775,313.65)	-
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	327,214.00	07/01/14	06/30/15		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	495-034-5094-001	519,453.00	07/01/14	06/30/15		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					\$ (775,313.65)	\$ -

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

Cash Received	Adjustments	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo	
				Accounts Receivable	Unearned Revenue	Due to Grantor at	Budgetary Receivable June 30, 2015	Cumulative Total Expenditures
\$ 5,115,055.65	\$ -	\$ (5,627,373.00)	\$ -	\$ (512,317.35)	\$ -	\$ -	\$ (512,317.35)	\$ 5,627,373.00
513,678.97								
530,788.86		(583,952.00)		(53,163.14)			(53,163.14)	583,952.00
53,304.42								
4,313.92		(4,746.00)		(432.08)			(432.08)	4,746.00
433.23								
9,362.29		(10,300.00)		(937.71)			(937.71)	10,300.00
9,362.29		(10,300.00)		(937.71)			(937.71)	10,300.00
226,248.27		(248,909.00)		(22,660.73)			(22,660.73)	248,909.00
22,720.96								
<u>6,485,268.86</u>	<u>-</u>	<u>(6,485,580.00)</u>	<u>-</u>	<u>(590,448.72)</u>	<u>-</u>	<u>-</u>	<u>(590,448.72)</u>	<u>6,485,580.00</u>
121,487.02		(133,655.00)		(12,167.98)			(12,167.98)	133,655.00
12,200.32		(6,264.00)		(6,264.00)				6,264.00
5,916.00								
<u>139,603.34</u>	<u>-</u>	<u>(139,919.00)</u>	<u>-</u>	<u>(18,431.98)</u>	<u>-</u>	<u>-</u>	<u>(12,167.98)</u>	<u>139,919.00</u>
382,389.21		(423,820.00)		(41,430.79)				423,820.00
20,965.36								
<u>403,354.57</u>	<u>-</u>	<u>(423,820.00)</u>	<u>-</u>	<u>(41,430.79)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,820.00</u>
<u>7,028,226.77</u>	<u>-</u>	<u>(7,049,319.00)</u>	<u>-</u>	<u>(650,311.49)</u>	<u>-</u>	<u>-</u>	<u>(602,616.70)</u>	<u>7,049,319.00</u>
84,422.70		(93,803.00)		(9,380.30)	9,451.00		(9,380.30)	93,803.00
11,355.10	(0.20)							
	(0.37)							
<u>95,777.80</u>	<u>(0.57)</u>	<u>(93,803.00)</u>	<u>-</u>	<u>(9,380.30)</u>	<u>9,451.00</u>	<u>-</u>	<u>(9,380.30)</u>	<u>93,803.00</u>
85,639.00		(85,639.00)						85,639.00
<u>85,639.00</u>	<u>-</u>	<u>(85,639.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,639.00</u>
				(197,812.36)				
				(160,629.17)	215,102.93			
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(358,441.53)</u>	<u>215,102.93</u>	<u>-</u>	<u>-</u>	<u>-</u>
852.26								
4,208.70		(4,551.12)		(342.42)				4,551.12
5,060.96	-	(4,551.12)	-	(342.42)	-	-	-	4,551.12
<u>7,214,704.53</u>	<u>(0.57)</u>	<u>(7,233,312.12)</u>	<u>-</u>	<u>(1,018,475.74)</u>	<u>224,553.93</u>	<u>-</u>	<u>(611,997.00)</u>	<u>7,233,312.12</u>
327,214.00		(327,214.00)						327,214.00
519,453.00		(519,453.00)						519,453.00
846,667.00	-	(846,667.00)	-	-	-	-	-	846,667.00
<u>\$ 8,061,371.53</u>	<u>\$ (0.57)</u>	<u>\$ (8,079,979.12)</u>	<u>\$ -</u>	<u>\$ (1,018,475.74)</u>	<u>\$ 224,553.93</u>	<u>\$ -</u>	<u>\$ (611,997.00)</u>	<u>\$ 8,079,979.12</u>

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2015

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**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Edgewater Park Township 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 following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the food service fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; therefore, some amounts presented in this schedule 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 is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. The capital projects fund is presented in the accompanying schedules on the modified accrual basis of accounting.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$278.80) for the general fund and (\$6,703.44) for the special revenue fund. There was no adjustment needed to reconcile expenditures from the budgetary basis to the GAAP basis for the general fund and (\$8,678.24) was needed for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**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	\$ 8,493.94	\$ 7,049,040.20	\$ 7,057,534.14
Special Revenue	606,795.36	95,777.80	702,573.16
Debt Service	-	85,639.00	85,639.00
Food Service	274,860.65	4,551.12	279,411.77
Total Awards and Financial Assistance	<u>\$ 890,149.95</u>	<u>\$ 7,235,008.12</u>	<u>\$ 8,125,158.07</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" represent rounding differences as well as other adjustments to the grant.

**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.

EDGEWATER PARK TOWNSHIP 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?  X  yes   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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	<u>Title I, Part A</u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee?  X  yes   no

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended June 30, 2015

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

**State Financial Assistance**

Internal control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes  X  no

Identification of major programs:

<b><u>GMIS Number(s)</u></b>	<b><u>Name of State Program</u></b>
	<b><u>State Aid - Public Cluster:</u></b>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>15-495-034-5120-083</u>	<u>Under Adequacy Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contrib.</u>

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

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

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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

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

**Finding No. 2015-001**

**Criteria or Specific Requirement**

A sound framework of internal control requires the Board Secretary/School Business Administrator's financial records to be accurately and completely maintained and all bank accounts be reconciled in a timely manner.

**Condition**

The Board Secretary/School Business Administrator's financial records were not accurately and completely maintained and the bank accounts were not reconciled during the year in a timely manner.

**Context**

Numerous reclassifications and audit adjustments were required to the financial records and bank account reconciliations, in order for the financial statements to be presented free from material misstatement.

**Effect**

Potential errors and/or irregularities could develop and not be detected in a timely manner to enable the District to institute prompt corrective actions.

**Cause**

The District had multiple turnover of their Board Secretary/School Business Administrator during fiscal year under audit.

**Recommendation**

That the Board Secretary/School Business Administrator's financial records are accurately and completely maintained and that all bank accounts are reconciled in a timely manner.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

**No Current Year Findings.**

**EDGEWATER PARK TOWNSHIP SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2015

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

**No Current Year Findings.**

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

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This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

No Prior Year Findings.

**FEDERAL AWARDS**

No Prior Year Findings.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

No Prior Year Findings.

