



**EDUCATIONAL INFORMATION
AND RESOURCE CENTER**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

EDUCATIONAL INFORMATION AND RESOURCE CENTER
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INTRODUCTORY SECTION



May 9, 2016

Honorable Chair and Members of the Board of Directors

Educational Information and Resource Center

County of Gloucester, New Jersey

Dear Board Members and Constituents:

The comprehensive annual financial report of the Educational Information and Resource Center (the “Center”, “EIRC”) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Directors (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Center. All disclosures necessary to enable the reader to gain an understanding of the Center's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Center's new organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon and, the Management’s Discussion and Analysis (MD&A), which is required supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Center is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08, *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 questioned costs, are included in the single audit section of this report.

During the fiscal year ended June 30, 2015, the Center was required to implement Governmental Accounting Standards Board (GASB Statement No. 68 – *Accounting and Reporting for Pensions*). The notes to financial statements provide a thorough discussion of the implementation of GASB 68 and the effects to the financial statements in addition to the effects of other accounting adjustments.

1 REPORTING ENTITY AND ITS SERVICES: The Educational Information and Resource Center is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the Center are included in this report. The Educational Information and Resource Center Board of Directors and all its programs constitute the Center's reporting entity.

During FY15, EIRC held contracts across 73% of New Jersey School Districts.

The Center provides a wide range of educational and governmental services to interested public agencies, persons and organizations throughout the state. These include: educational staff development and leadership training for administrators, teachers, school districts, parents, and community members; curricular consulting services; administrative services to school districts; parent workshops and programs, copy and print services, school bus advertising and a growing technology-based services center. Services provided by grants and contracts include: Global Connections; Child Assault Prevention (State, National and International); the Learning Resource Center and Pre-school Technical Assistance Grant- for the Southern Region, School Based Youth Services, Twilight Program, Juvenile Detention Services, and grants from Robert Wood Johnson and NJ State Department of Children and Family. Services and programs for students include: Starlab; ROGATE; Marsville; Symposium for the Arts and Model Congress. EIRC is continuing to work on bringing a Challenger Learning Center to Southern New Jersey.

2) ECONOMIC CONDITION AND OUTLOOK: The Educational Information and Resource Center continues to focus on developing fund balance to ensure financial stabilization for a healthy future. The increasing state requirements for local educational districts will provide EIRC with opportunities for greater collaboration with the NJ Department of Education and individual boards of education. Yearly funding from the State of New Jersey ended with the close of FY '10. Strategic plan development and contingency financial planning has strengthened the viability of EIRC in moving into the future with no State funding.

3) MAJOR INITIATIVES: EIRC remains in the forefront of professional development capacity in New Jersey. The limited capacity of the Department of Education to provide development opportunity calls for greater efforts to partner in order to support New Jersey education mandates. EIRC remains a leader in educational technology. The NJ Department of Education has designated EIRC as an Educational Technical Training Center (ETTC). This places EIRC within the network of Department technology development. EIRC technology work has expanded capacity to provide direct staffing in school districts along with a comprehensive array of technology services. We created our EIRC Wide Area Network (WAN) capacity so school districts can meet SETDA bandwidth requirements. EIRC-Connect can supply your school district with a high speed Internet connection. Plus, EIRC-Connect is opening new opportunities by placing learning tools and shared services at the disposal of students and faculty. Municipalities, county colleges, and county 911 services are also increasing their capacity for connectivity through EIRC-Connect. Partnerships with the University of Pennsylvania, Rowan University, McREL, NJASA, Liberty Science Center, and NASA are setting the stage for a new era of EIRC growth and expansion. The New Jersey Network to Close the Achievement Gaps continues to expand into the central and north regions of New Jersey. EIRC has created new business opportunities, including management of a Rowan University medical school grant. EIRC has been selected by the NJ Department of Education to become the Southern New Jersey HUB for school district access to lower cost internet services.

4) INTERNAL ACCOUNTING CONTROLS: Management of the Center is responsible for establishing and maintaining internal control designed to ensure that the assets of the Center are protected from loss, theft or misuse and to

ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 awards, the Center also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Center management.

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the Center maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6) ACCOUNTING SYSTEM AND REPORTS: The Center's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Center is organized on the basis of funds and account groups in Financial Edge. These funds and account groups are explained in "Notes to 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 Center continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, and special revenue fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases in relation to prior year revenues.



	2015	2014	Percent of	Increase	Increase
<u>Revenue</u>	<u>Amount</u>	<u>Amount</u>	<u>Total</u>	<u>From 2014</u>	
Local Sources	\$1,623,466.65	\$1,483,194.34	23.34%	\$140,272.28	9.46%
State Sources	3,298,794.29	3,090,876.44	47.43%	207,917.85	6.73%
Federal Sources	<u>2,033,206.66</u>	<u>1,716,102.64</u>	29.23%	<u>317,104.02</u>	18.48%
Total	<u>\$6,955,467.60</u>	<u>\$6,290,173.42</u>	100%	<u>\$665,294.15</u>	10.58%

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

	2015	2014	Percent of	Increase	Percent of
<u>Expenditures</u>	<u>Amount</u>	<u>Amount</u>	<u>Total</u>	<u>from 2014</u>	<u>Increase</u>
Undistributed	\$7,300,543.03	\$6,800,689.50	100%	\$499,853.53	7.35%

The increase in undistributed expense is attributed to an increase in expenses for new equipment when compared to the prior year.

8) DEBT ADMINISTRATION: At June 30, 2015 the Center's outstanding long-term debt was \$396,474.90. The main EIRC building was sold to the Washington Township Library in February of 2010 which significantly reduced the outstanding long-term debt. The library continues to make mortgage payments to the EIRC from the sale of our main building and the revenue is currently being used to set up an endowment account.

9) CASH MANAGEMENT: The investment policy of the Center is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The Center has adopted a cash management plan that 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.

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

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Bowman & Company LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is Included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Educational Information and Resource Center Board of Directors for their concern in providing fiscal accountability to the clients of EIRC and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

13) SERVICE EFFORTS AND ACCOMPLISHMENTS: The Center anticipates greater collaboration with the State Department of Education in the upcoming year and expanded service programs in partnership with NJASA, NJPSA, NJEA, Intel, Microsoft, Inc. and Rowan University. With the new partnerships that have been formed and the higher level of focus being put on grant funding applications we are continuing a strong effort to promote our financial position.

Respectfully submitted,



Charles M. Ivory, Ed. D.

Executive Director



Stephen H. Hoffman

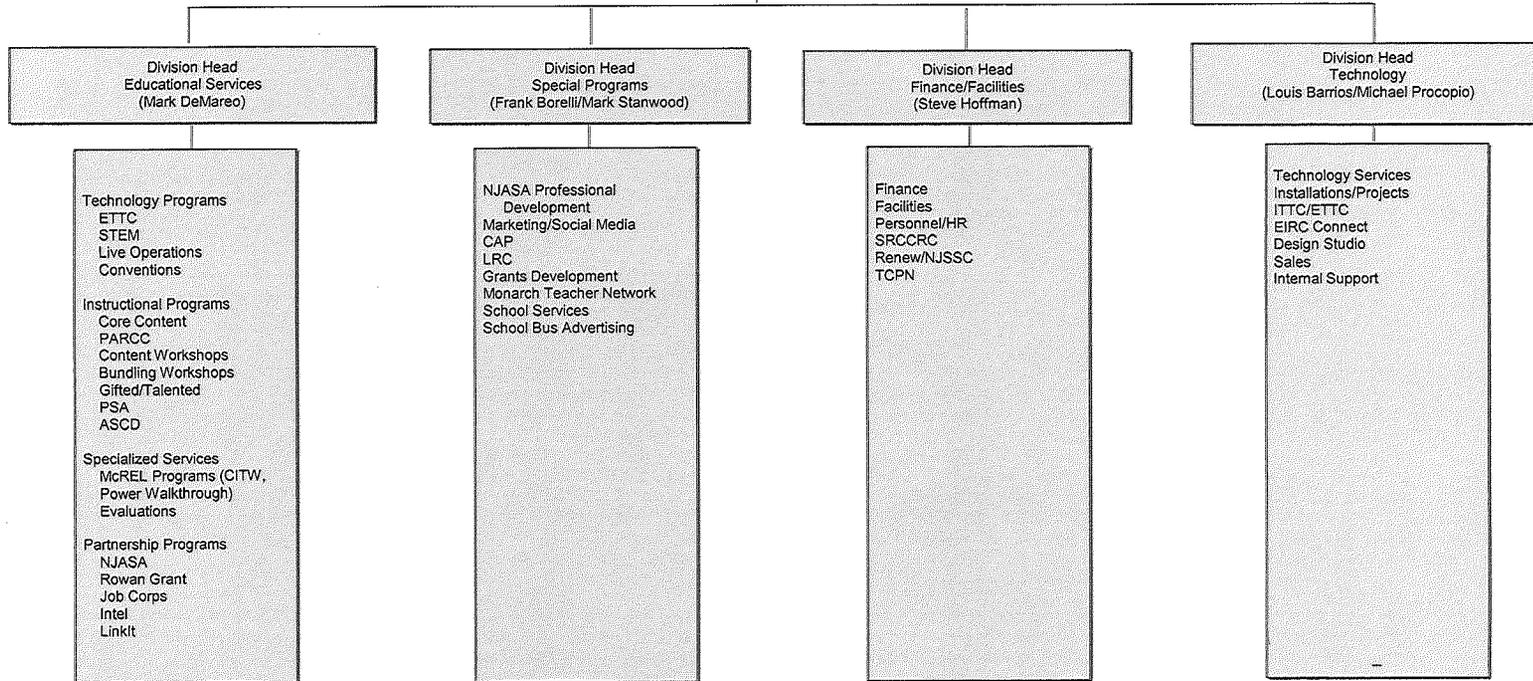
Business Administrator

Educational Information & Resource Center FY 15 Organizational Structure

EIRC
Board of Directors

Approved:

Executive Director



**EDUCATIONAL INFORMATION
AND RESOURCE CENTER**

ROSTER OF OFFICIALS

JUNE 30, 2015

BOARD OF DIRECTORS

<u>Board Member</u>	<u>Representation / Affiliation</u>	<u>Term Expiration</u>
Rena Alpert	Grades K-2 Teacher	6/30/2017
Lynda Anderson-Towns	Superintendent	6/30/2018
Daniel Bevilacqua	Grades 9 – 12 Teacher	6/30/2016
Todd Bonsall	Voc Ed/Middlesex County Tech Center	6/30/2017
Holly Bush	Non Profit, Non Public/Gateway Regional High School	6/30/2018
Rene Candelori	Grades 3-5 Teacher	6/30/2018
Thomas Coleman	Curriculum Supervisor/Woodstown-Pilesgrove Schools	6/30/2017
Diane Cummins	Parent/Clearview Regional High School	6/30/2018
John Deserable	Business Administrator/Evesham Township Schools-Retired	6/30/2017
Charles Highsmith	Secondary Principal	6/30/2017
Jack Hill	Higher Education	6/30/2016
Frank Jankowski, Jr.	Elementary Principal/Bellmawr	6/30/2016
Linda Martins	Grades 6-8 Teacher	6/30/2018
David J. Piccirillo	Parent/DuPont	6/30/2018
Grace V. Romeo	Business & Industry	6/30/2017
Judy Varallo	Special Ed/Camden City Schools-Retired	6/30/2016
Karen Wolf	Grades K-2 Teacher/Goddard School, Mullica Hill	6/30/2017
Robert Wooton *	Board of Education/Superintendent of Schools- Retired	6/30/2016
Vacant	Student	
Vacant	Pupil Personnel	
Vacant	Board of Education	

* Chairperson

** Vice Chairperson

Other Officials

Charles Ivory, Executive Director

Stephen H. Hoffman, Finance Officer

**EDUCATIONAL INFORMATION
AND RESOURCE CENTER**

CONSULTANTS AND ADVISORS

JUNE 30, 2015

Audit Firm

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

Attorney

Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

Insurance Broker

J S Braddock Agency/PHS
22 N Main St
Medford, NJ, 08053

Official Depositories

TD Bank
148 Main Street
Mullica Hill, New Jersey 08062

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and
Members of the Board of Directors
Educational Information and Resource Center
107 Gilbreth Parkway, Suite 200
Mullica Hill, NJ 08062

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Educational Information and Resource Center, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Educational Information and Resource Center's basic financial statements as listed in the table of contents.

Management's Responsibilities 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 Educational Information and Resource Center'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 Educational Information and Resource Center'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.

Basis for Qualified Opinions on the Governmental Activities, Business-Type Activities, General Fund, Enterprise Funds, Internal Service Funds and Aggregate Discretely Presented Component Unit

There is a lack of accounting controls in place over the reconciliation of accounts and posting of journal entries for non-cash transactions. Because of this lack of accounting controls, we were unable to obtain sufficient appropriate audit evidence about the amount recognized as assets, liabilities, net position / fund balance, revenues and expenses recorded for the fiscal year ended June 30, 2015. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

Qualified Opinions

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinions on the Governmental Activities, Business-Type Activities, General Fund, Enterprise Funds, Internal Service Funds and Aggregate Discretely Presented Component Unit*” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, General Fund, Enterprise Funds, Internal Service Funds and the aggregate discretely presented component unit of the Educational Information and Resource Center, 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Special Revenue Fund and the aggregate remaining fund information of the Educational Information and Resource Center as of June 30, 2015, and the respective changes in financial position 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 Educational Information and Resource Center adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Prior Period Restatement

Because of the implementation of GASB Statements No. 68 and No. 71, net position as of June 30, 2014 on the statement of activities has been restated, as discussed in note 18 to the financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, schedule of the Educational Information and Resource Center’s proportionate share of the net pension liability, and schedule of the Educational Information and Resource Center’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 Educational Information and Resource Center's 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, 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 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 relates 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, except for the effects on the supplementary information of the general fund, enterprise funds and internal service funds as described in the sixth paragraph, 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 May 9, 2016 on our consideration of the Educational Information and Resource Center'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 Educational Information and Resource Center's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
May 9, 2016

Exhibit K-1

**INDEPENDENT AUDITOR'S 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**

Honorable Chairman and
Members of the Board of Directors
Educational Information and Resource Center
107 Gilbreth Parkway, Suite 200
Mullica Hill, NJ 08062

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Educational Information and Resource Center, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Educational Information and Resource Center's basic financial statements, and have issued our report thereon dated May 9, 2016. Our opinion was modified to include a qualified opinion on the general fund, internal service funds and aggregate discretely presented component unit because of the lack of accounting controls in place over the reconciliation of accounts and posting of journal entries for non-cash transactions. 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 Educational Information and Resource Center'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 Educational Information and Resource Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Educational Information and Resource Center'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*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* to be material weaknesses as findings no. 2015-001, 2015-002, 2015-003 and 2015-007.

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 consider the deficiencies described in the accompanying *Schedule of Findings and Questioned Costs* to be significant deficiencies as findings no. 2015-004, 2015-005, 2015-006 and 2015-008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Educational Information and Resource Center'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 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* as findings no. 2015-004, 2015-005, 2015-006, 2015-007 and 2015-008.

The Educational Information and Resource Center's Response to Findings

The Educational Information and Resource Center's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Educational Information and Resource Center'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the Educational Information and Resource Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
May 9, 2016

REQUIRED SUPPLEMENTARY INFORMATION
PART I

EDUCATIONAL INFORMATION AND RESOURCE CENTER

Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

(UNAUDITED)

This section of the EIRC's Comprehensive Annual Financial Report presents our discussion and analysis of the Center's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the Center's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - Management's Discussion and Analysis for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Comparative information between the current fiscal year (2014 -2015) and the prior fiscal year (2013-2014) is required and is presented in the MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Center's basic financial statements. The Center's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Center's finances, in a manner similar to a private-sector business.

The statement of net position (A-1) presents information on all of the assets and deferred outflows of resources and liabilities and deferred with inflows of resources of the Center, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the Center changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

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

The Center maintains a number of governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balance for the general fund, and special revenue fund, both of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibit B-1 through B-3 in this report.

Proprietary Funds

The Center maintains six proprietary fund types, or enterprise funds and six internal service funds. The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Center is that the costs of providing goods or services be financed through user charges. The enterprise funds provide for services conducted within the Center. The proprietary fund has been included within the business-type activities in the government-wide financial statements.

The enterprise fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Center's own programs.

The Center uses trust and agency funds to account for resources held for payroll transactions. The basic fiduciary fund financial statements can be found as Exhibit B-7 in this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information

The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-15 fiscal year include the following:

- Established a Government savings account at First Bank to include a \$1,000,000 CD and also \$400,000 Money Market Checking Account from the Endowment Funds
- Fund Balance shows \$585,252 which is a decrease from \$930,327 the previous year. The profits of the Enterprise and Internal Fund programs will bring this to above \$1,000,000 after transfers are completed
- Increased revenue from \$8.5 million to \$9 million in the Technology Department that allowed for additional space utilized at our 900 Hollydell Court Property
- Management of Rowan University Medical School Grant
- Increased funding from NJ Department of Education Grants
- Increased revenue in Strategic Planning workshops for Administration

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Center's financial position. The following table provides a summary of net position.

Statement of Net Position

	FY2015		FY2014		Total	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	FY2015	FY2014
ASSETS						
Current and other assets	\$ 2,897,392.52	\$ 1,747,691.02	\$ 1,928,315.66	\$ 1,799,735.59	\$ 4,645,083.54	\$ 3,728,051.25
Capital Assets, net	501,073.68	43,035.56	546,524.98	45,443.22	544,109.24	591,968.20
Total Assets	3,398,466.20	1,790,726.58	2,474,840.64	1,845,178.81	5,189,192.78	4,320,019.45
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	1,039,292.94	866,967.06	-	-	1,906,260.00	-
LIABILITIES						
Current Liabilities	1,695,586.78	2,039,166.22	678,451.84	2,732,914.68	3,734,753.00	3,411,366.52
Noncurrent Liabilities	4,197,526.99	2,844,572.54	778,647.10	-	7,042,099.53	778,647.10
Total Liabilities	5,893,113.77	4,883,738.76	1,457,098.94	2,732,914.68	10,776,852.53	4,190,013.62
DEFERRED INFLOWS OF RESOURCES						
Related to Pensions	203,216.76	169,521.24	-	-	372,738.00	-
NET POSITION						
Net Investment in Capital Assets	104,598.78	43,035.56	122,912.68	45,443.22	147,634.34	168,355.90
Restricted	-	-	740,000.00	-	-	740,000.00
Unrestricted (Deficit)	(1,763,170.17)	(2,438,601.92)	154,829.02	(933,179.09)	(4,201,772.09)	(778,350.07)
	(1,658,571.39)	(2,395,566.36)	1,017,741.70	(887,735.87)	(4,054,137.75)	130,005.83
Restatement to record the Center's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68			(2,602,047.14)	(2,170,599.86)	-	(4,772,647.00)
Restatement to Record Adjustment to Prior Year Revenues and Expenses			24,433.12	(10,204.32)	-	14,228.80
Total Net Position	\$ (1,658,571.39)	\$ (2,395,566.36)	\$ (1,559,872.32)	\$ (3,068,540.05)	\$ (4,054,137.75)	\$ (4,628,412.37)

The largest component of the Center's assets is the cash held from sale of building at \$1,478,277.80 which represents the revenue we received when we sold our main building in Sewell. The unrestricted net position may be used to meet the Center's ongoing obligations to employees and creditors.

At the end of the current fiscal year, the Center is able to report a deficit in total net position due to the requirements of GASB68.

The following table provides a summary of revenues and expenses for the Center's governmental and business-type activities and the change in net position from the prior year:

Changes in Net Position

	FY2015		FY2014		Total	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	FY2015	FY2014
REVENUES						
Program revenues:						
Changes for services	\$ 3,360,774.85	\$ 10,907,812.84	\$ 2,608,076.47	\$ 10,694,186.37	\$ 14,268,587.69	\$ 13,302,262.84
Operating grants and contributions	5,333,874.95		4,731,973.08	34,881.66	5,333,874.95	4,766,854.74
General revenues:						
Grants and entitlements			75,006.00		-	75,006.00
Contracts	1,623,466.65		1,410,188.93		1,623,466.65	1,410,188.93
Other			38,390.19	(19,987.81)	-	18,402.38
Total revenues	<u>10,318,116.45</u>	<u>10,907,812.84</u>	<u>8,863,634.67</u>	<u>10,709,080.22</u>	<u>21,225,929.29</u>	<u>19,572,714.89</u>
EXPENSES						
General administration	7,771,560.34		7,474,109.63		7,771,560.34	7,474,109.63
Employee Benefits	2,575,819.54		1,744,329.73		2,575,819.54	1,744,329.73
Interest of long-term debt	23,984.34		25,083.97		23,984.34	25,083.97
Research & grants		369,087.35		275,166.32	369,087.35	275,166.32
Monarch program		213,299.79		114,039.62	213,299.79	114,039.62
Technology		8,243,950.30		9,742,996.60	8,243,950.30	9,742,996.60
Professional development		1,114,766.81		1,632,296.65	1,114,766.81	1,632,296.65
National talent network		88,332.14		76,338.69	88,332.14	76,338.69
School bus advertising		205,402.76		390,935.78	205,402.76	390,935.78
Unallocated depreciation	45,451.30		69,419.63		45,451.30	69,419.63
Total expenses	<u>10,416,815.52</u>	<u>10,234,839.15</u>	<u>9,312,942.96</u>	<u>12,231,773.66</u>	<u>20,651,654.67</u>	<u>21,544,716.62</u>
Transfers			(191,560.63)	191,560.63	-	-
Increase (decrease) in net position	(98,699.07)	672,973.69	(640,868.92)	(1,331,132.81)	574,274.62	(1,972,001.73)
Net Position, July 1	<u>(1,559,872.32)</u>	<u>(3,068,540.05)</u>	<u>1,658,610.62</u>	<u>443,396.94</u>	<u>(4,628,412.37)</u>	<u>2,102,007.56</u>
Net Position, June 30 - Prior to Restatement	(1,658,571.39)	(2,395,566.36)	1,017,741.70	(887,735.87)	(4,054,137.75)	130,005.83
Restatement to record the Center's Net Pension Liability and Pension Related Deferred Outflows of Resources per GASB 68			(2,602,047.14)	(2,170,599.86)	-	(4,772,647.00)
Restatement to Record Adjustment to Prior Year Revenues and Expenses			24,433.12	(10,204.32)	-	14,228.80
Net Position, June 30	<u>\$(1,658,571.39)</u>	<u>\$(2,395,566.36)</u>	<u>\$(1,559,872.32)</u>	<u>\$(3,068,540.05)</u>	<u>\$(4,054,137.75)</u>	<u>\$(4,628,412.37)</u>

Financial Analysis of the Center's Funds

As noted earlier, the Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Center's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Center's financing requirements. All of the Fund Balance at June 30, 2015 is unassigned.

Financial Information at Fiscal Year-End

As demonstrated by the various statements and schedules included in the financial section of this report, the Center continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>2015 Amount</u>	<u>Percent of Total</u>	<u>Increase/Decrease From 2014</u>	<u>Increase/ (Decrease)</u>
Local Sources	\$1,623,466.65	23.34%	\$140,272.28	9.46%
State Sources	3,298,794.29	47.43%	207,917.85	6.73%
Federal Sources	2,033,206.66	29.23%	317,104.02	18.48%
Total	\$6,955,467.60	100%	\$665,294.15	10.58%

The following schedule presents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2015 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current expense: Undistributed	7,300,543.03	100%	\$499,853.53	7.35%

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget other than transfers within the original budget.

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2014-2015 budget. Due to lower than anticipated transfers for internally run programs the Center was able to maintain a fiscally sound general fund unrestricted fund balance of \$585,252.03.

Proprietary Funds

The Center's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Our goal is to consistently run the Propriety Funds as self-sustaining and we have been able to reduce the amounts of transfers to these funds consistently over the last two years

Capital Assets

At June 30, 2015 the Center's investment in capital assets amounts to \$544,109.24 net of accumulated depreciation. The investment in capital assets includes land, building improvements, machinery and equipment, and vehicles.

The following provides a summary of the capital assets held by the Center:

Capital Assets (Net of Depreciation)

	FY 2015		FY 2014		Total	Total
	Governmental	Business Type	Governmental	Business Type	FY 2015	FY 2015
Land	\$ 85,000.00	\$ -	\$ 85,000.00		\$ 85,000.00	\$ 85,000.00
Building & Improvements	\$ 414,693.94	\$ -	\$ 458,871.64		\$ 414,693.94	\$ 458,871.64
Machinery & Equipment	\$ 1,379.74	\$ 43,035.56	\$ 2,653.34	\$ 45,443.22	\$ 44,415.30	\$ 48,096.56
Total	\$501,073.68	\$ 43,035.56	\$546,524.98	\$ 45,443.22	\$544,109.24	\$591,968.20

Debt Administration and Other Obligations: At June 30, 2015, the Center's outstanding debt issues included \$396,474.90 of mortgage payable.

Additional information on the Center's debt administration and other obligations can be found in Note 5 to the basic financial statements.

Economic Factors and Next Year's Budget

- The Center anticipates that the approved 2015-2016 budget will be adequate to satisfy all 2015-2016 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Educational Information & Resource Center's finances for all those with an interest in the finances of the Center. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Educational Information & Resource Center, 107 Gilbreth Parkway, Suite 200, Mullica Hill, NJ 08062

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EDUCATIONAL INFORMATION AND RESOURCE CENTER

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total	EIRC Foundation
ASSETS:				
Cash and Cash Equivalents	\$ 2,050,474.66	\$ 44,802.85	\$ 2,095,277.51	\$ 124,305.66
Receivables, net	658,647.19	1,690,270.66	2,348,917.85	345.00
Receivable from Payroll Agency	3,990.39		3,990.39	
Receivable from Component Unit		12,617.51	12,617.51	587,543.50
Restricted Cash and Cash Equivalents	184,280.28		184,280.28	
Capital Assets, net	501,073.68	43,035.56	544,109.24	
Total Assets	3,398,466.20	1,790,726.58	5,189,192.78	712,194.16
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pensions (Note 7)	1,039,292.94	866,967.06	1,906,260.00	
LIABILITIES:				
Cash Overdraft	136,167.98	1,455,276.70	1,591,444.68	
Accounts Payable	460,881.78	583,889.52	1,044,771.30	271,176.68
Payable to Component Unit	600,161.01		600,161.01	
Payable to State Government	24,020.21		24,020.21	8,681.00
Unearned Revenue	474,355.80		474,355.80	
Noncurrent Liabilities:				
Due within One Year	29,087.29		29,087.29	
Due beyond One Year	4,168,439.70	2,844,572.54	7,013,012.24	
Total Liabilities	5,893,113.77	4,883,738.76	10,776,852.53	279,857.68
DEFERRED INFLOWS OF RESOURCES:				
Related to Pensions (Note 7)	203,216.76	169,521.24	372,738.00	
NET POSITION:				
Net Investment in Capital Assets	104,598.78	43,035.56	147,634.34	
Restricted for:				
Other Purposes				418,863.98
Unrestricted (Deficit)	(1,763,170.17)	(2,438,601.92)	(4,201,772.09)	13,472.50
Total Net Position	\$ (1,658,571.39)	\$ (2,395,566.36)	\$ (4,054,137.75)	\$ 432,336.48

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Statement of Activities
For the Fiscal Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenues		Primary Government Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	EIRC Foundation
Governmental Activities:							
Support Services:							
General Administration	\$ 7,771,560.34	\$ 3,360,774.85	\$ 4,546,483.58	\$ 135,698.09		\$ 135,698.09	
Unallocated Benefits	2,575,819.54		787,391.37	(1,788,428.17)		(1,788,428.17)	
Debt Service:							
Interest and Other Charges	23,984.34			(23,984.34)		(23,984.34)	
Unallocated Depreciation	45,451.30			(45,451.30)		(45,451.30)	
Total Governmental Activities	10,416,815.52	3,360,774.85	5,333,874.95	(1,722,165.72)	-	(1,722,165.72)	
Business-Type Activities:							
Research & Grants	369,087.35	387,316.24			\$ 18,228.89	18,228.89	
Monarch Program	213,299.79	133,842.97			(79,456.82)	(79,456.82)	
Technology	8,243,950.30	9,018,938.52			774,988.22	774,988.22	
Professional Development	1,114,766.81	1,114,782.92			16.11	16.11	
National Talent Network	88,332.14	118,121.54			29,789.40	29,789.40	
School Bus Advertising	205,402.76	134,810.65			(70,592.11)	(70,592.11)	
Total Business-Type Activities	10,234,839.15	10,907,812.84	-	-	672,973.69	672,973.69	
Total Primary Government	\$ 20,651,654.67	\$ 14,268,587.69	\$ 5,333,874.95	(1,722,165.72)	672,973.69	(1,049,192.03)	
Component Unit:							
EIRC Foundation							\$ (99,237.52)
General Revenues:							
Interest on Investments				619.31		619.31	
Contracts				640,812.42		640,812.42	
Student Achievement				272,688.00		272,688.00	
Twilight Program				225,159.30		225,159.30	
NJSSC Green School				10,000.00		10,000.00	
Academy Program				42,032.73		42,032.73	
Rowan University				311,985.58		311,985.58	
NJASA Program				88,722.00		88,722.00	
LRC Matching				22,447.31		22,447.31	
Special Projects				2,000.00		2,000.00	
Strategic Planning				7,000.00		7,000.00	
Contributions							3,340.00
Total General Revenues				1,623,466.65	-	1,623,466.65	3,340.00
Change in Net Position				(98,699.07)	672,973.69	574,274.62	(95,897.52)
Net Position -- July 1 (Restated)				(1,559,872.32)	(3,068,540.05)	(4,628,412.37)	528,234.00
Net Position -- June 30				\$ (1,658,571.39)	\$ (2,395,566.36)	\$ (4,054,137.75)	\$ 432,336.48

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

FUND FINANCIAL STATEMENTS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Governmental Funds
 Balance Sheet
 June 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 745,928.22		\$ 745,928.22
Receivables, net	431.25	\$ 364.09	795.34
Due from Other Funds		53,062.90	53,062.90
Receivables from Other Governments	283,369.72	343,753.07	627,122.79
Restricted Cash		184,280.28	184,280.28
Total Assets	\$ 1,029,729.19	\$ 581,460.34	\$ 1,611,189.53
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	114,869.64	83,084.33	\$ 197,953.97
Interfunds Payable	28,920.86		28,920.86
Payable to Component Unit	300,686.66		300,686.66
Payable to State Government		24,020.21	24,020.21
Unearned Revenue		474,355.80	474,355.80
Total Liabilities	444,477.16	581,460.34	1,025,937.50
Fund Balances:			
Unassigned	585,252.03		585,252.03
Total Fund Balances	585,252.03	-	585,252.03
Total Liabilities and Fund Balances	\$ 1,029,729.19	\$ 581,460.34	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,861.38 and the accumulated depreciation is \$55,481.64

1,379.74

Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. Assets and liabilities of the Internal Service Fund are included in the Statement of Net Position

299,422.80

Long-term liabilities, including net pension liability are not due and payable in the current period and therefore are not recorded in the funds

(3,139,787.62)

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements

769,828.04

Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.

(174,666.38)

Net position of governmental activities

\$ (1,658,571.39)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Interest on Investments	\$ 619.31		\$ 619.31
Contracts	640,812.42		640,812.42
Student Achievement	272,688.00		272,688.00
Twilight Program	225,159.30		225,159.30
NJSSC Green School	10,000.00		10,000.00
Academy Program	42,032.73		42,032.73
Rowan University	311,985.58		311,985.58
NJASA Program	88,722.00		88,722.00
LRC Matching	22,447.31		22,447.31
Special Projects	2,000.00		2,000.00
Strategic Planning	7,000.00		7,000.00
State Sources	68,389.06	\$ 3,230,405.23	3,298,794.29
Federal Sources		2,033,206.66	2,033,206.66
	<u>1,691,855.71</u>	<u>5,263,611.89</u>	<u>6,955,467.60</u>
Total Revenues			
EXPENDITURES:			
Current:			
Support Services and Undistributed Costs:			
General Administration	1,907,018.08	4,546,483.58	6,453,501.66
Unallocated Benefits	61,524.00	717,128.31	778,652.31
On-behalf T.P.A.F. Pension Contributions			
Normal Cost	17,568.00		17,568.00
Post-Retirement Medical Contribution	27,890.00		27,890.00
Reimbursed T.P.A.F. Social Security Contributions	22,931.06		22,931.06
	<u>2,036,931.14</u>	<u>5,263,611.89</u>	<u>7,300,543.03</u>
Total Expenditures			
Excess (Deficit) of Revenues over Expenditures	<u>(345,075.43)</u>	<u>-</u>	<u>(345,075.43)</u>
Net Change in Fund Balances	(345,075.43)	-	(345,075.43)
Fund Balance -- July 1 (Restated)	<u>930,327.46</u>		<u>930,327.46</u>
Fund Balance -- June 30	<u>\$ 585,252.03</u>	<u>\$ -</u>	<u>\$ 585,252.03</u>

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 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 \$ (345,075.43)

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.

Depreciation Expense (1,273.60)

Governmental funds report 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 Center's pension contributions in the current period.

(148,757.17)

Internal Service Funds are used by management to charge costs of certain activities, such as shared business services. The operating transfers are included in the Governmental Funds.

396,407.13

Change in Net Position of Governmental Activities \$ (98,699.07)

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Proprietary Funds
 Statement of Net Position
 June 30, 2015

	Business-Type Activities - Enterprise Fund - Major Funds						Total Enterprise Fund	Governmental Activities - Internal Service Funds
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising		
ASSETS:								
Current Assets:								
Cash and Cash Equivalents		\$ 6,977.69			\$ 37,825.16		\$ 44,802.85	\$ 1,304,546.44
Accounts Receivable, Other			\$ 44,143.65				44,143.65	27,104.00
Accounts Receivable, Other Governmental	\$ 30,798.22		1,483,181.75	\$ 113,331.14	3,675.00	\$ 15,140.90	1,646,127.01	3,625.06
Receivable from Component Unit	9,880.16		2,737.35				12,617.51	22,147.65
Total Current Assets	<u>40,678.38</u>	<u>6,977.69</u>	<u>1,530,062.75</u>	<u>113,331.14</u>	<u>41,500.16</u>	<u>15,140.90</u>	<u>1,747,691.02</u>	<u>1,357,423.15</u>
Noncurrent Assets:								
Capital Assets			51,270.16				51,270.16	1,272,311.22
Less: Accumulated Depreciation			(8,234.60)				(8,234.60)	(772,617.28)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>43,035.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,035.56</u>	<u>499,693.94</u>
Total Assets	<u>40,678.38</u>	<u>6,977.69</u>	<u>1,573,098.31</u>	<u>113,331.14</u>	<u>41,500.16</u>	<u>15,140.90</u>	<u>1,790,726.58</u>	<u>1,857,117.09</u>
DEFERRED OUTFLOWS OF RESOURCES:								
Related to Pensions	56,806.55	36,028.31	701,122.43	17,918.85	15,250.08	39,840.84	866,967.06	82,350.42
LIABILITIES:								
Current Liabilities:								
Cash Deficit	9,628.71		1,337,143.72	34,887.16		73,617.11	1,455,276.70	136,167.98
Accounts Payable	20,955.69	9,297.57	486,451.00	53,760.65	3,570.58	9,854.03	583,889.52	88,261.43
Interfund Payable								20,151.65
Payable Due Component Unit								321,622.00
Noncurrent Liabilities Due within One Year								29,087.29
Total Current Liabilities	<u>30,584.40</u>	<u>9,297.57</u>	<u>1,823,594.72</u>	<u>88,647.81</u>	<u>3,570.58</u>	<u>83,471.14</u>	<u>2,039,166.22</u>	<u>595,290.35</u>
Noncurrent Liabilities:								
Mortgage Payable								367,387.61
Net Pension Liability	186,385.81	118,211.13	2,300,426.06	58,792.84	50,036.46	130,720.24	2,844,572.54	270,196.85
Compensated Absences Payable								391,067.62
Total Noncurrent Liabilities	<u>186,385.81</u>	<u>118,211.13</u>	<u>2,300,426.06</u>	<u>58,792.84</u>	<u>50,036.46</u>	<u>130,720.24</u>	<u>2,844,572.54</u>	<u>1,028,652.08</u>
Total Liabilities	<u>216,970.21</u>	<u>127,508.70</u>	<u>4,124,020.78</u>	<u>147,440.65</u>	<u>53,607.04</u>	<u>214,191.38</u>	<u>4,883,738.76</u>	<u>1,623,942.43</u>
DEFERRED INFLOWS OF RESOURCES:								
Related to Pensions	11,107.59	7,044.75	137,093.04	3,503.74	2,981.90	7,790.22	169,521.24	16,102.28
NET POSITION:								
Net Investment in Capital Assets								
Unrestricted	(130,592.87)	(91,547.45)	43,035.56 (2,029,928.64)	(19,694.40)	161.30	(166,999.86)	43,035.56 (2,438,601.92)	103,219.04 196,203.76
Total Net Position	<u>\$ (130,592.87)</u>	<u>\$ (91,547.45)</u>	<u>\$ (1,986,893.08)</u>	<u>\$ (19,694.40)</u>	<u>\$ 161.30</u>	<u>\$ (166,999.86)</u>	<u>\$ (2,395,566.36)</u>	<u>\$ 299,422.80</u>

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund - Major Funds						Total Enterprise Fund	Governmental Activities - Internal Service Fund
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising		
OPERATING REVENUES:								
Local Sources:								
Services Provided to Other LEA's	\$ 246,906.16		\$ 8,718,545.86	\$ 877,685.13	\$ 115,616.30		\$ 9,958,753.45	\$ 11,718.56
Services Provided to Other Funds			112,003.30	94,052.50			206,055.80	3,179,302.84
Other Local Sources	<u>140,410.08</u>	<u>\$ 133,842.97</u>	<u>188,389.36</u>	<u>143,045.29</u>	<u>2,505.24</u>	<u>\$ 134,810.65</u>	<u>743,003.59</u>	<u>169,753.45</u>
Total Operating Revenues	<u>387,316.24</u>	<u>133,842.97</u>	<u>9,018,938.52</u>	<u>1,114,782.92</u>	<u>118,121.54</u>	<u>134,810.65</u>	<u>10,907,812.84</u>	<u>3,360,774.85</u>
OPERATING EXPENSES:								
Salaries	164,573.56	126,905.94	1,375,532.39	421,133.13	52,706.61	71,772.84	2,212,624.47	398,408.79
Employee Benefits	12,529.82	13,882.64	701,639.92	50,157.04	9,758.67	35,076.62	823,044.71	1,578,147.00
Purchased Professional/Technical Services	97,750.00		188,135.72	459,822.28	1,450.00		747,158.00	41,182.31
Purchased Property Services	22,086.53						22,086.53	
Equipment			63,258.66	6,098.25			69,356.91	69,054.94
Other Purchased Services (500 Series)		39,194.06	183,763.77	34,245.71	5,414.52	77,244.71	339,862.77	82,750.13
Supplies and Materials	26,214.90	19,959.19	26,476.38	41,178.42	5,136.88	30.23	118,996.00	173,014.11
Interest on Mortgage								23,984.34
Building Usage		2,650.09	69,200.82				71,850.91	501,870.88
Cost of Sales			5,349,423.36				5,349,423.36	
Miscellaneous Other Expenses	2,957.91		3,911.56	9,362.21			16,231.68	1,357.41
Indirect Cost	42,974.63	10,707.87	276,282.90	92,769.77	13,865.46	21,278.36	457,878.99	50,420.11
Depreciation Expenses			6,324.82				6,324.82	44,177.70
Total Operating Expenses	<u>369,087.35</u>	<u>213,299.79</u>	<u>8,243,950.30</u>	<u>1,114,766.81</u>	<u>88,332.14</u>	<u>205,402.76</u>	<u>10,234,839.15</u>	<u>2,964,367.72</u>
Income (Loss) Before Contributions	<u>18,228.89</u>	<u>(79,456.82)</u>	<u>774,988.22</u>	<u>16.11</u>	<u>29,789.40</u>	<u>(70,592.11)</u>	<u>672,973.69</u>	<u>396,407.13</u>
Change in Net Position	18,228.89	(79,456.82)	774,988.22	16.11	29,789.40	(70,592.11)	672,973.69	396,407.13
Net Position -- July 1 (Restated)	<u>(148,821.76)</u>	<u>(12,090.63)</u>	<u>(2,761,881.30)</u>	<u>(19,710.51)</u>	<u>(29,628.10)</u>	<u>(96,407.75)</u>	<u>(3,068,540.05)</u>	<u>(96,984.33)</u>
Net Position -- June 30	<u>\$ (130,592.87)</u>	<u>\$ (91,547.45)</u>	<u>\$ (1,986,893.08)</u>	<u>\$ (19,694.40)</u>	<u>\$ 161.30</u>	<u>\$ (166,999.86)</u>	<u>\$ (2,395,566.36)</u>	<u>\$ 299,422.80</u>

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Proprietary Funds
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Fund - Major Funds						Total Enterprise Fund	Governmental Activities - Internal Service Fund
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising		
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from Customers	\$ 400,555.27	\$ 133,842.97	\$ 9,132,504.63	\$ 1,085,206.78	\$ 116,701.54	\$ 125,644.75	\$ 10,994,455.94	\$ 3,367,506.68
Payments to Employees	(164,573.56)	(126,905.94)	(1,375,532.39)	(421,133.13)	(52,706.61)	(71,772.84)	(2,212,624.47)	(398,408.79)
Payments for Employee Benefits	(3,699.21)	(8,282.02)	(592,650.12)	(47,371.54)	(7,388.04)	(28,883.35)	(688,274.28)	(1,529,312.77)
Payments to Suppliers	(207,533.25)	(69,986.72)	(8,021,809.04)	(634,632.14)	(26,474.83)	(95,971.24)	(9,056,407.22)	(851,112.52)
Net Cash Provided by (used for) Operating Activities	<u>24,749.25</u>	<u>(71,331.71)</u>	<u>(857,486.92)</u>	<u>(17,930.03)</u>	<u>30,132.06</u>	<u>(70,982.68)</u>	<u>(962,850.03)</u>	<u>588,672.60</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES								
Principal Payments Mortgage Payable			(3,917.16)				(3,917.16)	
Purchase of Capital Assets							-	(27,137.40)
Net Cash Provided by (Used for) Capital and Related Activities	<u>-</u>	<u>-</u>	<u>(3,917.16)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,917.16)</u>	<u>(27,137.40)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	24,749.25	(71,331.71)	(861,404.08)	(17,930.03)	30,132.06	(70,982.68)	(966,767.19)	561,535.20
Cash and Cash Equivalents -- July 1	(34,377.96)	78,309.40	(475,739.64)	(16,957.13)	7,693.10	(2,634.43)	(443,706.66)	606,843.26
Cash and Equivalents -- June 30	<u>\$ (9,628.71)</u>	<u>\$ 6,977.69</u>	<u>\$ (1,337,143.72)</u>	<u>\$ (34,887.16)</u>	<u>\$ 37,825.16</u>	<u>\$ (73,617.11)</u>	<u>\$ (1,410,473.85)</u>	<u>\$ 1,168,378.46</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ 18,228.89	\$ (79,456.82)	\$ 774,988.22	\$ 16.11	\$ 29,789.40	\$ (70,592.11)	\$ 672,973.69	\$ 396,407.13
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:								
Depreciation and Net Amortization			6,324.82				6,324.82	44,177.70
(Increase) Decrease in Accounts Receivable Other			(44,143.65)				(44,143.65)	25,822.20
(Increase) Decrease in Accounts Receivable, Other Governments	(12,940.71)		160,447.11	(29,576.14)	(1,420.00)	(9,165.90)	107,344.36	3,057.28
(Increase) Decrease in Receivable from Component Unit	26,179.74		(2,737.35)				23,442.39	(22,147.65)
Increase (Decrease) in Accounts Payable	(6,718.67)	8,125.11	(1,752,366.07)	11,630.00	1,762.66	8,775.33	(1,728,791.64)	85,171.47
Increase (Decrease) in Interfund Payable								20,151.65
Increase (Decrease) in Compensated Absences								36,032.82
Total Adjustments	<u>6,520.36</u>	<u>8,125.11</u>	<u>(1,632,475.14)</u>	<u>(17,946.14)</u>	<u>342.66</u>	<u>(390.57)</u>	<u>(1,635,823.72)</u>	<u>192,265.47</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 24,749.25</u>	<u>\$ (71,331.71)</u>	<u>\$ (857,486.92)</u>	<u>\$ (17,930.03)</u>	<u>\$ 30,132.06</u>	<u>\$ (70,982.68)</u>	<u>\$ (962,850.03)</u>	<u>\$ 588,672.60</u>

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2015

	<u>Agency Funds</u>	<u>Total</u>
ASSETS:		
Cash and Cash Equivalents	\$ 20,735.94	\$ 20,735.94
Total Assets	<u>\$ 20,735.94</u>	<u>\$ 20,735.94</u>
LIABILITIES:		
Payroll Deductions and Withholdings	\$ 16,745.55	\$ 16,745.55
Interfund Accounts Payable:		
Due General Fund	<u>3,990.39</u>	<u>3,990.39</u>
Total Liabilities	<u>\$ 20,735.94</u>	<u>\$ 20,735.94</u>

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Educational Information and Resource Center (the "Center") 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 Educational Information and Resource Center is an instrumentality of the State of New Jersey, established to provide, on request, support and assistance to teachers, administrators, parent and community groups, schools and colleges, the New Jersey Department of Education, and other public agencies through the delivery of materials, techniques and expertise to improve school and community programs and services.

The government, control, conduct, management, and administration of the Educational Information and Resource Center shall be vested in the Board of Directors. The Board of Directors (the "Board") shall consist of 21 members selected through procedures established by the Board. Members are appointed to a three year term and the appointments are staggered so that the terms of seven positions expire each year. No members shall serve more than two successive terms.

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

Component Units

In evaluating how to define the Center 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.

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

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.

Based upon the application of these criteria, the Center has determined that Educational Information and Resource Center Foundation (the "Foundation") meets the requirement for discrete presentation in the financial statements of the Center.

The Educational Information and Resource Center Foundation, Inc., is a New Jersey non-profit 501(c)(3) organization. The Foundation provides educational related programs for students, parents, schools, and communities. The Foundation is governed by a board of directors, some of whom are members of the Center's Board. In addition, the Center employees and facilities are utilized for virtually all activities of the Foundation. The Foundation reports under Financial Accounting Standards Board (FASB) Standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. In accordance with GASB Statement 34, certain presentation adjustments to the financial statements of the Foundation were required to conform to the classification and display requirements in the aforementioned GASB Statements, as applicable to the Center.

The individual report of audit of the Educational Information and Resource Center Foundation for the fiscal year ended June 30, 2015 can be obtained at the Foundation offices located at 107 Gilbreth Parkway, Mullica Hill, New Jersey 08062.

Government-wide and Fund Financial Statements

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

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

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 Center to 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. Other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the Center 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 Center. 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. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Center 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.

Contracts for services, 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 Center.

The Center reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the Center. 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 Center may include 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 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.

Proprietary funds are used to account for the Center'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. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

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

The Center reports the following major proprietary funds:

Enterprise Funds – The Enterprise Funds account for all revenues and expenses pertaining to the Center's operations that are financed and operated in a manner similar to private business enterprises. That stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Center's Enterprise Funds are comprised of: research and grants, monarch program, technology, professional development, national talent network, and school bus advertising.

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department to other departments of the Center or to other governments on a cost reimbursement basis.

The Center's Internal Service Funds are comprised of: business and support services, building services, documents management, telephone services, fringe benefits, and accrued sick.

Additionally, the Center reports the following fund types:

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

The Center maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the Center in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll). The Center 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 Center's Agency Funds are comprised of: payroll, payroll agency and medical savings account.

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared annually for the general and special revenue funds. Budgets are required to be submitted to the Governor and Legislature for approval as required by N.J.S.A. 18A:6-100. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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

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 special revenue fund. 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 and exhibit C-2 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 Center 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.

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

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

Cash, Cash Equivalents and Investments

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

The Center is limited as to the types of investments and types of financial institutions that it may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey governmental entities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

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

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

Capital Assets

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	15 - 60 Years
Machinery and Equipment	3 - 20 Years

The Center does not possess any infrastructure assets.

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

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

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Center 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 Center's proportion of expenses and liabilities to the pension as a whole, differences between the Center's pension contribution and its proportionate share of contributions, and the Center's pension contributions subsequent to the pension valuation measurement date.

Unearned Revenue

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

Accrued Salaries and Wages

Certain Center employees who provide services to the Center over the ten-month academic year do not have the option to have their salaries evenly disbursed during the entire twelve-month year.

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

Pensions

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

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

Fund Balance

The Center reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the Center is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Center'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.

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

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

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

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

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the Center 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 Center to spend fund balances, if appropriate, in the following order: committed, assigned, and 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 Center 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 Center 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 in the governmental activities totaled (\$2,602,047.14), and was recognized as a restatement of the Center's June 30, 2014 net position on the statement of activities (see note 18). The cumulative effect of adopting GASB Statements No. 68 and No. 71 in the business-type activities and enterprise fund totaled (\$2,170,599.86), and was recognized as a restatement of the Center's June 30, 2014 net position on the statement of activities (see note 18).

Recently Issued Accounting Pronouncements

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

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will become effective for the Center 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 Center 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 Center 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 Center 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 Center 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 Center 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 Center's deposits might not be recovered. Although the Center 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 Center 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 Center relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2015, none of the Center's bank balances of \$1,641,471.21 were exposed to custodial credit risk.

Note 3: ACCOUNTS RECEIVABLE

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

Note 3: ACCOUNTS RECEIVABLE (CONT'D)

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

Description	Governmental Funds			Internal Service Funds						Total Internal Service Funds	Total Governmental Activities	
	General Fund	Special Revenue Fund	Total Governmental Funds	Building & Support Services	Building Services	Documents Management	Telephone Services	Fringe Benefits	Accrued Sick			
Federal Awards		\$ 93,753.07	93,753.07									\$ 93,753.07
State Awards		250,000.00	250,000.00									250,000.00
Provided Services	\$283,800.97	364.09	284,165.06		\$ 28,829.00	\$ 1,900.06					\$ 30,729.06	314,894.12
Interfunds		53,062.90	53,062.90									53,062.90
A/R - Component Unit			-	\$ 12,815.77	7,714.35		\$ 1,617.53				22,147.65	22,147.65
	<u>\$283,800.97</u>	<u>\$397,180.06</u>	<u>\$ 680,981.03</u>	<u>\$ 12,815.77</u>	<u>\$ 36,543.35</u>	<u>\$ 1,900.06</u>	<u>\$ 1,617.53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,876.71</u>	<u>\$ 733,857.74</u>	

Description	Proprietary Funds						
	Research & Grants	Research & Grants	Technology	Professional Development	National Talent Network	School Bus Advertising	Total Business-Type Activities
Provided Services	\$ 30,798.22		\$ 1,527,325.40	\$ 113,331.14	\$ 3,675.00	\$ 15,140.90	\$ 1,690,270.66
A/R - Component Unit	9,880.16		2,737.35				12,617.51
	<u>\$ 40,678.38</u>	<u>\$ -</u>	<u>\$ 1,530,062.75</u>	<u>\$ 113,331.14</u>	<u>\$ 3,675.00</u>	<u>\$ 15,140.90</u>	<u>\$ 1,702,888.17</u>

Note 4: CAPITAL ASSETS

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

	Balance July 1, 2014	Increases	Transfers	Decreases	Balance June 30, 2015
Governmental Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	\$ 66,763.29		\$ (9,901.91)		\$ 56,861.38
Total Capital Assets, Cost	66,763.29	-	(9,901.91)	-	56,861.38
Less Accumulated Depreciation for:					
Machinery and Equipment	(64,109.95)	\$ (1,273.60)	9,901.91		(55,481.64)
Total Accumulated Depreciation	(64,109.95)	(1,273.60)	9,901.91	-	(55,481.64)
Total Capital Assets, being Depreciated, Net	2,653.34	(1,273.60)	-	-	1,379.74
Governmental Activities Capital Assets, Net	<u>\$ 2,653.34</u>	<u>\$ (1,273.60)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,379.74</u>

Note 4: CAPITAL ASSETS (CONT'D)

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

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Internal Service Funds:					
Capital Assets, not being Depreciated:					
Land	\$ 85,000.00				\$ 85,000.00
Total Capital Assets, not being Depreciated	85,000.00	-	-	-	85,000.00
Capital Assets, being Depreciated:					
Buildings and Improvements	1,095,710.00				1,095,710.00
Machinery and Equipment	69,161.00		\$ 10,238.32		79,399.32
Total Capital Assets, being Depreciated	1,164,871.00	-	10,238.32	-	1,175,109.32
Total Capital Assets, Cost	1,249,871.00	-	10,238.32	-	1,260,109.32
Less Accumulated Depreciation for:					
Buildings and Improvements	(636,838.36)	\$(44,177.70)			(681,016.06)
Machinery and Equipment	(69,161.00)		(10,238.32)		(79,399.32)
Total Accumulated Depreciation	(705,999.36)	(44,177.70)	(10,238.32)	-	(760,415.38)
Total Capital Assets, being Depreciated, Net	458,871.64	(44,177.70)	-	-	414,693.94
Governmental Activities Capital Assets, Net	<u>\$ 543,871.64</u>	<u>\$(44,177.70)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,693.94</u>

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

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Business-Type Activities:					
Capital Assets, being Depreciated:					
Machinery and Equipment	\$ 47,353.00	\$ 3,917.16			\$ 51,270.16
Total Capital Assets, Cost	47,353.00	3,917.16	-	-	51,270.16
Less Accumulated Depreciation for:					
Machinery and Equipment	(1,909.78)	(6,324.82)			(8,234.60)
Total Accumulated Depreciation	(1,909.78)	(6,324.82)	-	-	(8,234.60)
Total Capital Assets, being Depreciated, Net	45,443.22	(2,407.66)	-	-	43,035.56
Business-Type Activities Capital Assets, Net	<u>\$ 45,443.22</u>	<u>\$(2,407.66)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,035.56</u>

Note 4: CAPITAL ASSETS (CONT'D)

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

Governmental Activities:		
General Administration		<u>\$ 1,273.60</u>
Internal Service Funds:		
Building Services		<u>\$ 44,177.70</u>
Business-Type Activities:		
Technology		<u>\$ 6,324.82</u>

Note 5: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due within One Year</u>
Governmental Activities:					
Other Liabilities:					
Net Pension Liability (note 7)	\$ 2,602,047.14	\$ 807,937.20		\$ 3,409,984.34	
Governmental Activity					
Long-Term Liabilities	<u>\$ 2,602,047.14</u>	<u>\$ 807,937.20</u>	<u>\$ -</u>	<u>\$ 3,409,984.34</u>	<u>\$ -</u>

The net pension liability is liquidated by the general fund.

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations for internal service funds:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>	<u>Due within One Year</u>
Internal Service Funds					
Other Liabilities:					
Mortgage Payable	\$ 423,612.30		\$ (27,137.40)	\$ 396,474.90	\$ 29,087.29
Net Pension Liability (note 7)	206,178.35	\$ 64,018.50		270,196.85	
Compensated Absences Payable	355,034.80	36,032.82		391,067.62	
Internal Service Fund					
Long-Term Liabilities	<u>\$ 984,825.45</u>	<u>\$ 100,051.32</u>	<u>\$ (27,137.40)</u>	<u>\$ 1,057,739.37</u>	<u>\$ 29,087.29</u>

The mortgage payable is generally liquidated by the building services fund, while the compensated absences are liquidated by the accrued sick fund. The net pension liability is liquidated by the business and support services fund.

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

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due within</u> <u>One Year</u>
Business-type Activities:					
Other Liabilities:					
Net Pension Liability (note 7)	\$ 2,170,599.86	\$ 673,972.68		\$ 2,844,572.54	
Business-type Activities					
Long-Term Liabilities	\$ 2,170,599.86	\$ 673,972.68	\$ -	\$ 2,844,572.54	\$ -

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The net pension liability is liquidated by each of the business-type activities.

Mortgage Payable – On December 20, 2005, the Center entered into a \$600,000.00 mortgage payable in monthly installments through December 1, 2025 at a variable interest rate. Effective March 29, 2011, the interest rate was reduced from 5.95% to 5.65%.

Principal and interest due on the mortgage payable outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 29,087.29	\$ 21,780.11	\$ 50,867.40
2017	30,773.96	20,093.44	50,867.40
2018	32,558.43	18,308.97	50,867.40
2019	34,446.37	16,421.03	50,867.40
2020	36,443.79	14,423.61	50,867.40
2021-2025	216,477.42	37,859.58	254,337.00
2026-2030	16,687.15	248.56	19,145.94
	<u>\$ 396,474.40</u>	<u>\$ 129,135.31</u>	<u>\$ 527,819.94</u>

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

Net Pension Liability - For details on the net pension liability, refer to note 7. The Center's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the fringe benefits internal service fund and allocated to the general fund, business-type activities and business support internal service funds on an annual basis.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 12 for a description of the Center's policy.

Note 6: OPERATING LEASES

At June 30, 2015, the Center had non-cancelable operating lease agreements in effect for vehicles and copiers spanning three years for vehicles and five years for copiers. 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	\$ 41,904.72
2017	31,806.30
	<u>\$ 73,711.02</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$36,054.72.

Note 7: PENSION PLANS

A substantial number of the Center'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, Center employees are eligible to participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members enrolled before July 1, 2007
- 2 Members eligible for enrollment on or after July 1, 2007 and before November 2, 2008
- 3 Members eligible for enrollment on or after November 2, 2008 and on or before May 21, 2010
- 4 Members eligible for enrollment after May 21, 2010 and before June 28, 2011
- 5 Members eligible for enrollment on or after June 28, 2011

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 8 to 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

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

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 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 Center and all other related non-contributing employers. No normal or accrued liability contribution by the Center has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The Center's contractually required contribution rate for the fiscal year ended June 30, 2015 was 6.24% of the Center's covered-employee payroll, of which 0.00% of payroll was required from the Center and 100.00% of payroll was required from the State of New Jersey. The Center 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.

Note 7: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

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 Center's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Centers' contractually required contribution rate for the fiscal year ended June 30, 2015 was 10.50% of the Center'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 Center were \$347,941.00 for the fiscal year ended June 30, 2015. Employee contributions were \$240,658.83 for the fiscal year ended June 30, 2015.

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

For the fiscal year ended June 30, 2015, the Center did not have any employees participate in the Defined Contribution Retirement Program.

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

Center's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Center	<u>2,446,185.00</u>
	<u>\$ 2,446,185.00</u>

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

Note 7: 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 Center's proportion of the net pension liability was based on a projection of the Center'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 Center 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 Center recognized \$19,442.00 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 Center reported a liability of \$6,254,557.00, of which \$3,409,984.46 has been reported in the governmental activities, including business and support services internal service fund, and \$2,844,572.54 has been reported in the six business-type activities 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 Center's proportion of the net pension liability was based on a projection of the Center'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 Center's proportion was 0.0334062128% which was an increase of 0.0084342021% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the Center recognized \$571,725.00, in the government-wide financial statements, of pension expense for PERS. Of this amount, \$311,704.47 has been reported in the governmental activities, including business and support services internal service fund, and \$260,020.53 has been reported in the six business-type activities funds.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	196,677.00	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	372,738.00
Changes in Proportion and Differences Between Center Contributions and Proportionate Share of Contributions	1,361,642.00	-
Center Contributions Subsequent to the Measurement Date	<u>347,941.00</u>	<u>-</u>
	<u>\$ 1,906,260.00</u>	<u>\$ 372,738.00</u>

Note 7: 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) - \$347,941.00 reported as deferred outflows of resources related to pensions will be included as a reduction of the net pension liability (\$189,697.43 in the governmental activities, including business and support services internal service fund, and \$158,243.57 in the six business-type activities funds) 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:

Fiscal Year	PERS
<u>Ending June 30,</u>	
2015	\$ 384,039.99
2016	384,039.99
2017	384,039.99
2018	384,039.99
2019	(243,457.45)
Thereafter	<u>(107,121.28)</u>
	<u>\$1,185,581.24</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:

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

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (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 Center'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 Center's annual required contribution. As such, the net pension liability as of June 30, 2014 attributable to the Center is \$0 and the State's net pension liability attributable to the Center using a discount rate of 4.68%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (<u>3.68%</u>)	Current Discount Rate (<u>4.68%</u>)	1% Increase (<u>5.68%</u>)
Center's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of Net Pension Liability Associated with the Center	<u>2,942,117.99</u>	<u>2,446,185.00</u>	<u>2,033,698.49</u>
	<u>\$ 2,942,117.99</u>	<u>\$ 2,446,185.00</u>	<u>\$ 2,033,698.49</u>

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Center's Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

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

	<u>PERS</u>		
	1% Decrease <u>(4.39%)</u>	Current Discount Rate <u>(5.39%)</u>	1% Increase <u>(6.39%)</u>
Center's Proportionate Share of the Net Pension Liability	<u>\$ 7,868,445.30</u>	<u>\$ 6,254,556.70</u>	<u>\$ 4,899,301.00</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 8: 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 9: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the Center has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs and post-retirement medical costs were \$17,568.00 and \$27,890.00, respectively.

Note 10: RISK MANAGEMENT

The Center 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 Center maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Note 11: DEFERRED COMPENSATION

The Center offers its employees a choice of various 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 administrator is Lincoln Investment Planning, Inc.

Note 12: COMPENSATED ABSENCES

The Center accounts for compensated absences (e.g., unused vacation, sick leave) using the termination method 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.

Center employees are granted varying amounts of vacation and sick leave in accordance with the Center's personnel policies. The Center's policy permits employees to accumulate sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the Center for their unused sick leave if the employee has a minimum of 100 days in accordance with the Center's various labor agreements and personnel manual. The Center uses the vesting method to record the liability.

The liability for vested compensated absences is recorded within the internal service fund, and allocated to the various funds on the same basis as employee salaries, as the benefits accrue to employees. At June 30, 2015, the liability for compensated absences reported on the government-wide statement of net position as part of the internal service fund is \$391,067.62.

Note 13: 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		\$ 28,920.86
Special Revenue	\$ 53,062.90	
Business and Support Services		20,151.65
Payroll and Agency		3,990.39
	<u>\$ 53,062.90</u>	<u>\$ 53,062.90</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 Center expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 13: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

During the fiscal year ended June 30, 2015, the transfers between or among funds was the result of services provided by one fund for the benefit of another.

Note 14: 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 Center expects such amount, if any, to be immaterial.

Litigation – It is the opinion of the administration and legal counsel, that there exists no litigation or contingent liability that may be pending against the Educational Information and Resource Center that would have a material or adverse effect on the Board of Directors or the financial position of the Center.

Note 15: CONCENTRATIONS

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

Note 16: COOPERATIVE PURCHASING NETWORK

The Center established a partnership with TCPN, “The Cooperative Purchasing Network”, in September 2010, to better assist the NJ School Districts in purchasing products and services through the Center. TCPN follows the NJ requirement for bidding contracts and the Center uses the vendors of TCPN who have been awarded contracts to help provide the products and services that the school districts in NJ need. This is accomplished through the Local Inter-Agency Agreement or Shared Services Act N.J.S.A. 40A:65-1 through N.J.S.A. 40A:65-7.

Note 17: FUND BALANCES**NONSPENDABLE**

As stated in note 1, 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 Center does not have any nonspendable fund balances as of June 30, 2015.

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. The Center does not have any restricted fund balances as of June 30, 2015.

Note 17: FUND BALANCES (CONT'D)**COMMITTED**

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Center's highest level of decision-making authority, which is the Board of Directors. The Center does not have any committed fund balances as of June 30, 2015.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the Center's *intent* to be used for specific purposes, but are neither restricted nor committed. The Center does not have any assigned fund balances as of June 30, 2015.

UNASSIGNED

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

General Fund - As of June 30, 2015, \$585,252.03 of general fund balance was unassigned.

Note 18: RESTATEMENT OF PRIOR PERIOD NET POSITION

As indicated in note 1 to the financial statements, the Center adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, for the fiscal year ended June 30, 2015. As a result of implementing these two Statements, a restatement of unrestricted net position on the government-wide statement of activities and on the statements of revenues, expenses, and changes in fund net position was required to record the Center's proportionate share of its net pension liability.

Note 18: RESTATEMENT OF PRIOR PERIOD NET POSITION (CONT'D)

The cumulative effect on the financial statements as reported for June 30, 2014 is as follows:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ 1,017,741.70
Prior Period Adjustment - Implementation of GASBS No. 68:	
Net Pension Liability (Measurement Date)	\$ (2,602,047.14)
Deferred Outflows - Center's contributions made subsequent to measurement date	150,145.90
Accounts Payable - Center's contributions recorded by pension plan as accounts receivable at June 30, 2014	(150,145.90)
Recapture of Fiscal Year 2014 Revenue	83,407.14
Reduction of Fiscal Year 2014 Revenue	<u>(58,974.02)</u>
Total Prior Period Adjustment	<u>(2,577,614.02)</u>
Net Position as Restated, July 1, 2014	<u><u>\$ (1,559,872.32)</u></u>

	<u>Business-Type Activities</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ (887,735.87)
Prior Period Adjustment - Implementation of GASBS No. 68:	
Net Pension Liability (Measurement Date)	\$ (2,170,599.86)
Deferred Outflows - Center's contributions made subsequent to measurement date	125,250.10
Accounts Payable - Center's contributions recorded by pension plan as accounts receivable at June 30, 2014	(125,250.10)
Recapture of Fiscal Year 2014 Expenditures	<u>(10,204.32)</u>
Total Prior Period Adjustment	<u>(2,180,804.18)</u>
Net Position as Restated, July 1, 2014	<u><u>\$ (3,068,540.05)</u></u>

Business-Type Activities

	<u>Total</u>	<u>Research & Grants</u>	<u>Monarch Program</u>	<u>Technology</u>	<u>Professional Development</u>	<u>National Talent Network</u>	<u>School Bus Advertising</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ (887,735.87)	\$ 3,607.44	\$ 78,112.40	\$ (1,006,501.73)	\$ 25,152.37	\$ 8,553.08	\$ 3,340.57
Prior Period Adjustment - Implementation of GASBS No. 68:							
Net Pension Liability (Measurement Date)	(2,170,599.86)	(142,224.88)	(90,203.03)	(1,755,379.57)	(44,862.88)	(38,181.18)	(99,748.32)
Deferred Outflows - Center's contributions made subsequent to measurement date	125,250.10	8,206.80	5,204.98	101,290.65	2,588.72	2,203.17	5,755.78
Accounts Payable - Center's contributions recorded by pension plan as accounts receivable at June 30, 2014	(125,250.10)	(8,206.80)	(5,204.98)	(101,290.65)	(2,588.72)	(2,203.17)	(5,755.78)
Recapture of Fiscal Year 2014 Expenditures	<u>(10,204.32)</u>	<u>(10,204.32)</u>					
Total Prior Period Adjustment	<u>(2,180,804.18)</u>	<u>(152,429.20)</u>	<u>(90,203.03)</u>	<u>(1,755,379.57)</u>	<u>(44,862.88)</u>	<u>(38,181.18)</u>	<u>(99,748.32)</u>
Net Position as Restated, July 1, 2014	<u><u>\$ (3,068,540.05)</u></u>	<u><u>\$ (148,821.76)</u></u>	<u><u>\$ (12,090.63)</u></u>	<u><u>\$ (2,761,881.30)</u></u>	<u><u>\$ (19,710.51)</u></u>	<u><u>\$ (29,628.10)</u></u>	<u><u>\$ (96,407.75)</u></u>

Note 18: RESTATEMENT OF PRIOR PERIOD NET POSITION (CONT'D)

The cumulative effect on the financial statements as reported for June 30, 2014 is as follows (Cont'd):

	<u>Internal Service Fund</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ 25,786.88
Prior Period Adjustment - Implementation of GASBS No. 68:	
Net Pension Liability (Measurement Date)	\$ (206,178.35)
Deferred Outflows - Center's contributions made subsequent to measurement date	11,897.11
Accounts Payable - Center's contributions recorded by pension plan as accounts receivable at June 30, 2014	(11,897.11)
Recapture of Fiscal Year 2014 Revenue	<u>83,407.14</u>
Total Prior Period Adjustment	<u>(122,771.21)</u>
Net Position as Restated, July 1, 2014	<u>\$ (96,984.33)</u>

Internal Service Funds

	<u>Total</u>	<u>Business & Support Services</u>	<u>Building Services</u>	<u>Documents Management</u>	<u>Telephone Services</u>	<u>Fringe Benefits</u>	<u>Accrued Sick</u>
Beginning Net Position as Previously Reported at June 30, 2014	\$ 25,786.88	\$ 294.24	\$ 3,277.97	\$ 6,819.38	\$ 3,165.44	\$ 403.75	\$ 11,826.10
Prior Period Adjustment - Implementation of GASBS No. 68:							
Net Pension Liability (Measurement Date)	(206,178.35)	(206,178.35)					
Deferred Outflows - Center's contributions made subsequent to measurement date	11,897.11	11,897.11					
Accounts Payable - Center's contributions recorded by pension plan as accounts receivable at June 30, 2014	(11,897.11)	(11,897.11)	-	-	-	-	-
Recapture of Fiscal Year 2014 Revenue	<u>83,407.14</u>					83,407.14	
Total Prior Period Adjustment	<u>(122,771.21)</u>	<u>(206,178.35)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,407.14</u>	<u>-</u>
Net Position as Restated, July 1, 2014	<u>\$ (96,984.33)</u>	<u>\$ (205,884.11)</u>	<u>\$ 3,277.97</u>	<u>\$ 6,819.38</u>	<u>\$ 3,165.44</u>	<u>\$ 83,810.89</u>	<u>\$ 11,826.10</u>

	<u>General Fund</u>
Beginning Fund Balance as Previously Reported at June 30, 2014	\$ 989,301.48
Reduction of Fiscal Year 2014 Revenue	<u>(58,974.02)</u>
Total Prior Period Adjustment	<u>(58,974.02)</u>
Fund Balance as Restated, July 1, 2014	<u>\$ 930,327.46</u>

Note 19: SUBSEQUENT EVENTS

Line of Credit – On July 29, 2015, the Center entered into a \$750,000.00 line of credit agreement with First Bank at an interest rate of 3.25% with an expiration date of 12 months from the date of closing.

NOTE 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The significant disclosures of the discretely presented component unit, Educational Information and Resource Center Foundation, (the "Foundation"), are as follows:

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Organization and Nature of Activities**

The Educational Information and Resource Center Foundation, (the "Foundation"), is a nonprofit 501(c)(3) organization. The Foundation provides educational related programs for students, parents, schools and communities.

Although the Foundation is a legally separate, not-for-profit organization, because of the significance of its operational and financial relationships with the Educational Information and Resource Center, (the "Center"), it is considered a component unit of the Center and is discretely presented in their financial statements.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The financial statements have been prepared in conformity with the standards promulgated by the Financial Accounting Standards Board applicable to not-for-profit organizations. The Foundation's net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation board and board designated funds functioning as endowments.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes term endowments, the present value of contributions receivable, and earnings on investments.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. This includes the historical dollar amounts of gifts, the present value of contributions receivable, and earnings required to be added to the corpus as stipulated by the donor.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Income and realized and unrealized net gains or losses on investments are reported as follows:

- As increases or decreases in permanently restricted net assets if the terms of the gift require that they are added to the principal of a permanent endowment fund;
- As increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or by law;
- As increases or decreases in unrestricted net assets in all other cases.

NOTE 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Public Support and Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions of cash and other assets are reported as temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Endowment contributions may be permanently restricted by the donor. Investment earnings available for distribution are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (which happens either when a stipulated time period ends or when a purpose restriction is accomplished) during the reporting period in which the income and gains are recognized.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid short-term investments purchased with an original maturity of three months or less. The carrying amounts of cash and cash equivalents approximate fair value due to their short-term maturities.

Fair value measurement

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

Allowance for Doubtful Accounts

Accounts receivable and promises to give are stated at the principal amount net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and an assessment of the donor's ability to pay. The Foundation has determined that there was no allowance for doubtful accounts for receivables at June 30, 2015.

Donated Services and Facilities

The Foundation receives donated services from a variety of personnel who are employed by the Center. The Foundation also occupies office space on the Center campus. No rent is paid by the Foundation. No significant contributions of such goods or services were received during the year ended June 30, 2015.

Donated Materials and Equipment

Donated materials and equipment are recorded at the estimated fair market value at the date of the receipt. All donated equipment is turned over to the Center for their use and is not capitalized by the Foundation.

NOTE 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Income Taxes**

The Foundation claims exemption from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and, accordingly, does not record a provision for income taxes on related income. The Foundation is eligible to receive a charitable contribution deduction under Section 170(b)(1)(A) and is classified as an organization other than a private foundation under Section 509(a)(2).

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New Accounting Standards Not Yet Effective

Revenue from Contracts with Customers – In May 2014, the Financial Accounting Standards Board issued guidance that replaces the existing accounting standards for revenue recognition. The guidance requires an organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods or services. The standard is effective for the fiscal year ending June 30, 2020 (with early adoption permitted) and may be adopted either by restating all years presented in the organization's financial statements or by recording the impact of adoption as an adjustment to retained earnings at the beginning of the fiscal year ending June 30, 2020. The organization is assessing the potential impact this guidance will have on its financial statements.

Subsequent Events

The Foundation has evaluated events and transactions through April 11, 2016, the date of the financial statements were available to be issued and determined there were no items requiring recognition or disclosure in the financial statements.

B: CASH AND CASH EQUIVALENTS

During the year ended June 30, 2015, the Educational Information and Resource Center Foundation did not hold any investments.

The Foundation has not maintained appropriate amounts of cash and cash equivalents to comply with donor-imposed restrictions. The cash balance as of June 30, 2015 for the Challenger Learning Center Program is subject to restrictions imposed by the funding agency in the amount of \$368,314.00.

C: CONCENTRATION OF CREDIT RISK FOR CASH AND INVESTMENTS

The Educational Information and Resource Center Foundation maintains cash balances in their banking institutions which are insured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to \$250,000.00 per institution. At June 30, 2015, the Foundation's bank balances were fully insured.

NOTE 20: DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES (CONT'D)**D: TEMPORARILY RESTRICTED NET ASSETS**

The Foundation follows the policy of maintaining special funds when grants and gifts are received for specific projects. Such grants and gifts are reported as temporarily restricted net assets until the donor imposed restrictions are satisfied.

Investment income derived from temporarily restricted net assets which is restricted by the donor for a specific purpose is included as temporarily restricted net assets.

Temporarily restricted net assets are available for scholarships and Center improvements. Donor restrictions are maintained on file by the Foundation. As of June 30, 2015 amounts are available for the following purposes:

Child Abuse Program	\$50,549.98
Challenger Program	<u>386,314.00</u>
	<u>\$418,863.98</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Satisfaction of donor restrictions	<u>\$17,619.89</u>
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E: RELATED PARTY TRANSACTION

In May, 2015, the Foundation loaned \$300,000.00 to the Center. The Center reimbursed the Foundation for the full amount of the loan in August and September 2016.

F: LITIGATION

The Foundation is a defendant in legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Foundation from such litigation is either unknown or potential losses, if any, would be covered by insurance and would not be material to the financial statements.

G: PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2015, the Foundation determined prior year revenues had not been recorded in the financial statements which resulted in an increase of \$3,542.41 in unrestricted net assets.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Prior Year Encumbrances	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:							
Local Sources:							
Interest on Investments	\$ 900.00		\$ 900.00		\$ 900.00	\$ 619.31	\$ (280.69)
Contracts	1,147,456.08		1,147,456.08		1,147,456.08	640,812.42	(506,643.66)
Student Achievement	272,688.00		272,688.00		272,688.00	272,688.00	-
Twilight Program	225,213.31		225,213.31		225,213.31	225,159.30	(54.01)
NJSSC Green School	75,664.38		75,664.38		75,664.38	10,000.00	(65,664.38)
Academy Program	27,515.82		27,515.82		27,515.82	42,032.73	14,516.91
Rowan University	341,840.34		341,840.34		341,840.34	311,985.58	(29,854.76)
NJASA Program	74,107.00		74,107.00		74,107.00	88,722.00	14,615.00
LRC Matching	17,634.09		17,634.09		17,634.09	22,447.31	4,813.22
SRCCRC Special Project	2,000.00		2,000.00		2,000.00	2,000.00	-
Special Projects	2,000.00		2,000.00		2,000.00		(2,000.00)
Strategic Planning	7,000.00		7,000.00		7,000.00	7,000.00	-
Total - Local Sources	2,194,019.02		2,194,019.02	-	2,194,019.02	1,623,466.65	(570,552.37)
State Sources:							
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)							
Normal Cost						17,568.00	17,568.00
Post-Retirement Medical Contribution						27,890.00	27,890.00
Reimbursed T.P.A.F. Social Security Contributions						22,931.06	22,931.06
Total - State Sources			-	-	-	68,389.06	68,389.06
Total Revenues	2,194,019.02	-	2,194,019.02	-	2,194,019.02	1,691,855.71	(502,163.31)

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Prior Year Encumbrances</u>	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
EXPENDITURES:							
Current Expense:							
Support Services General Administration:							
Administrative:							
Salaries	\$ 62,105.56		\$ 62,105.56		\$ 62,105.56	\$ 62,105.56	\$ -
Employee Benefits	10,350.00		10,350.00		10,350.00	9,600.00	750.00
Other Purchased Professional Services	1,096,871.97		1,096,871.97		1,096,871.97	918,483.10	178,388.87
Other Purchased Services (400-500 series)	34,300.15		34,300.15		34,300.15	27,915.53	6,384.62
General Supplies	16,742.88		16,742.88		16,742.88	13,015.78	3,727.10
Miscellaneous Expenditures	18,956.14		18,956.14		18,956.14	18,916.14	40.00
Miscellaneous Indirect Costs	75,970.00		75,970.00		75,970.00	67,477.50	8,492.50
Total Support Services Administrative	1,315,296.70	-	1,315,296.70	-	1,315,296.70	1,117,513.61	197,783.09
Support Services General Administration:							
Student Achievement Program:							
Other Purchased Professional Services	80,000.00		80,000.00		80,000.00	79,602.56	397.44
Other Purchased Services (400-500 series)	1,000.00		1,000.00		1,000.00	617.82	382.18
General Supplies	10,000.00		10,000.00		10,000.00	6,987.85	3,012.15
Miscellaneous Expenditures	5,000.00		5,000.00		5,000.00	4,840.00	160.00
Miscellaneous Indirect Costs	14,000.00		14,000.00		14,000.00	14,000.00	-
Total Support Services Student Achievement Program	110,000.00	-	110,000.00	-	110,000.00	106,048.23	3,951.77
Support Services General Administration:							
NJASA Program							
Salaries	49,329.00		49,329.00		49,329.00	47,849.40	1,479.60
Employee Benefits	6,203.00		6,203.00		6,203.00	6,202.97	0.03
Other Purchased Professional Services	2,000.00		2,000.00		2,000.00	1,400.00	600.00
Other Purchased Services (400-500 series)	2,625.22		2,625.22		2,625.22	2,196.82	428.40
General Supplies	674.78		674.78		674.78	148.75	526.03
Miscellaneous Indirect Costs	13,175.00		13,175.00		13,175.00	13,175.00	-
Total Support Services NJASA Program	74,007.00	-	74,007.00	-	74,007.00	70,972.94	3,034.06

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Prior Year Encumbrances</u>	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
EXPENDITURES (CONT'D):							
Current Expense (Cont'd):							
Support Services General Administration:							
Twilight Program:							
Salaries	\$ 175,617.00		\$ 175,617.00		\$ 175,617.00	\$ 175,617.00	\$ -
Employee Benefits	17,030.60		17,030.60		17,030.60	17,030.60	
Other Purchased Professional Services	6,743.00		6,743.00		6,743.00	666.50	6,076.50
General Supplies	2,600.00		2,600.00		2,600.00	1,589.05	1,010.95
Miscellaneous Indirect Costs	23,222.71		23,222.71		23,222.71	23,222.71	
Total Support Services Twilight Program	225,213.31	-	225,213.31	-	225,213.31	218,125.86	7,087.45
Support Services General Administration:							
NJSBA Sustainable Program (NJSSC):							
Salaries	50,000.00		50,000.00		50,000.00	46,246.83	3,753.17
Employee Benefits	3,190.43		3,190.43		3,190.43	3,190.43	
Other Purchased Professional Services	17,500.02		17,500.02		17,500.02	17,500.02	
Other Purchased Services (400-500 series)	2,000.00		2,000.00		2,000.00	909.53	1,090.47
General Supplies	1,000.00		1,000.00		1,000.00	550.00	450.00
Miscellaneous Indirect Costs	15,777.40		15,777.40		15,777.40	15,777.40	
Total Support Services NJSBA Sustainable Program	89,467.85	-	89,467.85	-	89,467.85	84,174.21	5,293.64
Support Services General Administration:							
Strategic Planning							
Other Purchased Professional Services	11,424.00		11,424.00		11,424.00	11,424.00	
Total Support Services Strategic Planning	11,424.00	-	11,424.00	-	11,424.00	11,424.00	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Prior Year Encumbrances</u>	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
EXPENDITURES (CONT'D):							
Current Expense (Cont'd):							
Support Services General Administration:							
Rowan Program:							
Salaries	\$ 40,556.76		\$ 40,556.76		\$ 40,556.76	\$ 40,556.76	
Employee Benefits	25,500.00		25,500.00		25,500.00	25,500.00	
Other Purchased Professional Services	207,267.24		207,267.24	\$ (20,000.00)	187,267.24	171,695.80	\$ 15,571.44
General Supplies	13,244.32		13,244.32		13,244.32	9,725.88	3,518.44
Miscellaneous Indirect Costs	64,100.00		64,100.00		64,100.00	54,450.00	9,650.00
Total Support Services Rowan Program	350,668.32	-	350,668.32	(20,000.00)	330,668.32	301,928.44	28,739.88
Support Services General Administration:							
SRCCRC Special Project:							
Other Purchased Professional Services	500.00		500.00		500.00		500.00
Other Purchased Services (400-500 series)	500.00		500.00		500.00		500.00
General Supplies	1,000.00		1,000.00		1,000.00		1,000.00
Total Support Services Rowan Program	2,000.00	-	2,000.00	-	2,000.00	-	2,000.00
Support Services General Administration:							
LRC Matching:							
Other Purchased Services (400-500 series)	12,490.36		12,490.36	(5,000.00)	7,490.36	7,044.14	446.22
General Supplies	7,143.73		7,143.73	25,000.00	32,143.73	31,305.11	838.62
Total Support Services LRC Matching	19,634.09	-	19,634.09	20,000.00	39,634.09	38,349.25	1,284.84
CAP:							
Other Purchased Professional Services	5,000.00		5,000.00		5,000.00	1,000.00	4,000.00
General Supplies	12,015.82		12,015.82	(3,000.00)	9,015.82	6,256.60	2,759.22
Miscellaneous Expenditures	10,500.00		10,500.00	3,000.00	13,500.00	12,748.94	751.06
Total Support Services CAP	27,515.82	-	27,515.82	-	27,515.82	20,005.54	7,510.28

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Prior Year Encumbrances	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):							
Current Expense (Cont'd):							
Combined Total Support Services General Administration:							
Salaries	\$ 377,608.32		\$ 377,608.32		\$ 377,608.32	\$ 372,375.55	\$ 5,232.77
Employee Benefits	62,274.03		62,274.03		62,274.03	61,524.00	750.03
Other Purchased Professional Services	1,427,306.23		1,427,306.23	\$ (20,000.00)	1,407,306.23	1,201,771.98	205,534.25
Other Purchased Services (400-500 series)	52,915.73		52,915.73	(5,000.00)	47,915.73	38,683.84	9,231.89
General Supplies	64,421.53		64,421.53	22,000.00	86,421.53	69,579.02	16,842.51
Miscellaneous Expenditures	34,456.14		34,456.14	3,000.00	37,456.14	36,505.08	951.06
Miscellaneous Indirect Costs	206,245.11		206,245.11	-	206,245.11	188,102.61	18,142.50
Combined Total Support Services General Administration	<u>2,225,227.09</u>	-	<u>2,225,227.09</u>	-	<u>2,225,227.09</u>	<u>1,968,542.08</u>	<u>256,685.01</u>
On-behalf T.P.A.F. Pension Contributions (non-budgeted):							
Normal Cost						17,568.00	(17,568.00)
Post-Retirement Medical Contribution						27,890.00	(27,890.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)						<u>22,931.06</u>	<u>(22,931.06)</u>
Total On-behalf Contributions	-	-	-	-	-	<u>68,389.06</u>	<u>(68,389.06)</u>
Total Expenditures - Current Expense	<u>2,225,227.09</u>	-	<u>2,225,227.09</u>	-	<u>2,225,227.09</u>	<u>2,036,931.14</u>	<u>188,295.95</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,208.07)</u>	-	<u>(31,208.07)</u>	-	<u>(31,208.07)</u>	<u>(345,075.43)</u>	<u>313,867.36</u>
Fund Balances, July 1	989,301.48		989,301.48	-	989,301.48	989,301.48	-
Prior Period Adjustments			-	-	-	(58,974.02)	58,974.02
Fund Balances, July 1 (Restated)	<u>989,301.48</u>		<u>989,301.48</u>	-	<u>989,301.48</u>	<u>930,327.46</u>	<u>58,974.02</u>
Fund Balances, June 30	<u>\$ 958,093.41</u>	\$ -	<u>\$ 958,093.41</u>	\$ -	<u>\$ 958,093.41</u>	<u>\$ 585,252.03</u>	<u>\$ 372,841.38</u>
Recapitulation:							
Unassigned Fund Balance						<u>\$ 585,252.03</u>	

EDUCATIONAL INFORMATION AND RESOURCE CENTER

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
REVENUES:					
State Sources:					
First Steps	\$ 645,376.34		\$ 645,376.34	\$ 374,291.88	\$ (271,084.46)
Project Launch	118,000.00		118,000.00	118,000.00	
Parenting Teens	105,752.00		105,752.00	105,752.00	
Child Abuse Prevention	1,736,893.00		1,736,893.00	1,736,893.00	
Children's Trust Fund	266,760.00	\$ 49,281.00	316,041.00	312,172.44	(3,868.56)
Help Me Grow	124,323.00		124,323.00	124,323.00	
Home Visiting	442,830.00		442,830.00	442,830.00	
NJ DCF Teacher Partnership	300,000.00	(127,448.01)	172,551.99	157,280.47	(15,271.52)
NJ DCF School Linked OAH	45,000.00		45,000.00	24,848.35	(20,151.65)
Total - State Sources	3,784,934.34	(78,167.01)	3,706,767.33	3,396,391.14	(310,376.19)
Federal Sources:					
Title I Part D	66,893.00	29,524.13	96,417.13	97,828.13	1,411.00
I.D.E.A., Part B, Basic	805,602.00	222,377.93	1,027,979.93	1,010,995.93	(16,984.00)
I.D.E.A., Part B, Preschool Incentive	245,013.00	50,867.58	295,880.58	239,579.58	(56,301.00)
Childcare Food Program	389,040.00	90,656.54	479,696.54	479,603.02	(93.52)
Race to the Top	205,200.00		205,200.00	205,200.00	
Total - Federal Sources	1,711,748.00	393,426.18	2,105,174.18	2,033,206.66	(71,967.52)
Total Revenues	5,496,682.34	315,259.17	5,811,941.51	5,429,597.80	(382,343.71)
EXPENDITURES:					
Support Services:					
Salaries	2,246,260.17	(428,145.69)	1,818,114.48	1,777,608.49	40,505.99
Personal Services - Employee Benefits	895,293.67	(34,638.36)	860,655.31	717,128.31	143,527.00
Purchased Professional - Educational Services	409,337.44	377,141.36	786,478.80	775,407.71	11,071.09
Other Purchased Services (400-500 series)	172,050.50	145,675.24	317,725.74	258,507.59	59,218.15
General Supplies	138,113.56	143,640.52	281,754.08	260,972.01	20,782.07
Building Use / Rent	284,115.00	38,522.42	322,637.42	282,714.31	39,923.11
Miscellaneous Expenditures	998,418.00	46,932.68	1,045,350.68	1,026,753.74	18,596.94
Miscellaneous Indirect Costs	353,094.00	26,131.00	379,225.00	330,505.64	48,719.36
Total Support Services	5,496,682.34	315,259.17	5,811,941.51	5,429,597.80	382,343.71
Total Expenditures	5,496,682.34	315,259.17	5,811,941.51	5,429,597.80	382,343.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

EDUCATIONAL INFORMATION AND RESOURCE CENTER

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2015

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 1,691,855.71	\$ 5,429,597.80
Differences - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		<u>(165,985.91)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,691,855.71</u>	<u>\$ 5,263,611.89</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 2,036,931.14	\$ 5,429,597.80
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.		<u>(165,985.91)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 2,036,931.14</u>	<u>\$ 5,263,611.89</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Required Supplementary Information - Part III
 Schedule of the Center's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Two Fiscal Years

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Center's Proportion of the Net Pension Liability	0.0334062128%	0.0249720107%
Center's Proportionate Share of the Net Pension Liability	\$ 6,254,557.00	\$ 4,772,647.00
Center's Covered-Employee Payroll	\$ 2,413,283.00	\$ 2,046,006.00
Center's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	259.17%	233.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Required Supplementary Information - Part III
 Schedule of the Center'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	\$ 347,941.00	\$ 275,396.00
Contributions in relation to the Contractually Required Contribution	(347,941.00)	(275,396.00)
Contribution Deficiency (Excess)	\$ -	\$ -
Center's Covered-Employee Payroll	\$ 3,312,915.00	\$ 2,413,283.00
Contributions as a Percentage of Center's Covered-Employee Payroll	10.50%	11.41%

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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Required Supplementary Information - Part III
 Schedule of the Center's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Two Fiscal Years

	<u>Measurement Date Ended June 30,</u>	
	<u>2014</u>	<u>2013</u>
Center's Proportion of the Net Pension Liability	0.00%	0.00%
State's Proportion of the Net Pension Liability associated with the Center	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
Center's Proportionate Share of the Net Pension Liability	-	-
State's Proportionate Share of the Net Pension Liability associated with the Center	<u>\$ 2,446,185.00</u>	<u>\$ 2,379,695.00</u>
	<u>\$ 2,446,185.00</u>	<u>\$ 2,379,695.00</u>
Center's Covered-Employee Payroll	\$ 334,343.00	\$ 337,157.00
Center's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	731.64%	705.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER

Required Supplementary Information - Part III
Schedule of the Center's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable. The Center 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.

EDUCATIONAL INFORMATION AND RESOURCE CENTER

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

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

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Title I Part D <u>2014-2015</u>	Title I Part D <u>2013-2014</u>	IDEA Preschool <u>2014-2015</u>	IDEA Preschool <u>2013-2014</u>	IDEA Part-B Basic <u>2014-2015</u>	IDEA Part-B Basic <u>2013-2014</u>	Total Carried <u>Forward</u>
REVENUES:							
Federal Sources	\$ 83,574.00	\$ 14,254.13	\$ 188,712.00	\$ 50,867.58	\$ 788,618.00	\$ 222,377.93	\$ 1,348,403.64
State Sources							-
Total Revenues	<u>83,574.00</u>	<u>14,254.13</u>	<u>188,712.00</u>	<u>50,867.58</u>	<u>788,618.00</u>	<u>222,377.93</u>	<u>1,348,403.64</u>
EXPENDITURES:							
Support Services:							
Salaries			61,388.65	12,878.28	339,550.98	105,379.73	519,197.64
Personal Services - Employee Benefits			26,727.00	11,739.64	160,804.00	29,476.00	228,746.64
Purchased Professional - Educational Services	76,332.47	14,254.13	1,125.00	500.00	35,551.34	3,398.66	131,161.60
Other Purchased Services (400-500 series)			4,774.40	375.50	60,828.95	11,118.91	77,097.76
General Supplies	1,429.14		27,501.16	6,491.62	16,507.49	7,577.18	59,506.59
Building Use / Rent			57,934.49	16,435.32	131,161.90	42,487.10	248,018.81
Miscellaneous Expenditures	2,291.39						2,291.39
Miscellaneous Indirect Costs	3,521.00		9,261.30	2,447.22	44,213.34	22,940.35	82,383.21
Total Support Services	<u>83,574.00</u>	<u>14,254.13</u>	<u>188,712.00</u>	<u>50,867.58</u>	<u>788,618.00</u>	<u>222,377.93</u>	<u>1,348,403.64</u>
Total Expenditures	<u>83,574.00</u>	<u>14,254.13</u>	<u>188,712.00</u>	<u>50,867.58</u>	<u>788,618.00</u>	<u>222,377.93</u>	<u>1,348,403.64</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward	Childcare Food Program	First Steps	Child Abuse Prevention	Total Carried Forward
REVENUES:					
Federal Sources	\$ 1,348,403.64	\$ 479,603.02			\$ 1,828,006.66
State Sources	-		\$ 374,291.88	\$ 1,736,893.00	2,111,184.88
Total Revenues	1,348,403.64	479,603.02	374,291.88	1,736,893.00	3,939,191.54
EXPENDITURES:					
Support Services:					
Salaries	519,197.64	87,258.61	226,991.07	304,877.13	1,138,324.45
Personal Services - Employee Benefits	228,746.64		19,375.67	118,497.00	366,619.31
Purchased Professional - Educational Services	131,161.60		35,391.52	484,243.25	650,796.37
Other Purchased Services (400-500 series)	77,097.76	2,389.93	28,508.46	38,804.27	146,800.42
General Supplies	59,506.59		32,937.66	12,560.48	105,004.73
Building Use / Rent	248,018.81	1,008.00	16,087.50	17,600.00	282,714.31
Miscellaneous Expenditures	2,291.39	388,946.48		632,955.87	1,024,193.74
Miscellaneous Indirect Costs	82,383.21		15,000.00	127,355.00	224,738.21
Total Support Services	1,348,403.64	479,603.02	374,291.88	1,736,893.00	3,939,191.54
Total Expenditures	1,348,403.64	479,603.02	374,291.88	1,736,893.00	3,939,191.54
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward	Parenting Teens	Project Launch	Children's Trust Fund	Help Me Grow	Home Visiting	Final
REVENUES:							
Federal Sources	\$ 1,828,006.66	\$ 105,752.00	\$ 118,000.00	\$ 312,172.44	\$ 124,323.00	\$ 442,830.00	\$ 2,931,084.10
State Sources	2,111,184.88						2,111,184.88
Total Revenues	3,939,191.54	105,752.00	118,000.00	312,172.44	124,323.00	442,830.00	5,042,268.98
EXPENDITURES:							
Support Services:							
Salaries	1,138,324.45	27,915.29	63,301.53	174,600.85	69,587.33	184,196.30	1,657,925.75
Personal Services - Employee Benefits	366,619.31	28,647.00	28,800.00	85,612.00	30,600.00	121,050.00	661,328.31
Purchased Professional - Educational Services	650,796.37						650,796.37
Other Purchased Services (400-500 series)	146,800.42	38,090.61	7,257.35	11,138.40	3,680.97	13,452.51	220,420.26
General Supplies	105,004.73	3,266.10	9,900.12	17,410.19	11,245.70	91,329.19	238,156.03
Building Use / Rent	282,714.31						282,714.31
Miscellaneous Expenditures	1,024,193.74						1,024,193.74
Miscellaneous Indirect Costs	224,738.21	7,833.00	8,741.00	23,411.00	9,209.00	32,802.00	306,734.21
Total Support Services	3,939,191.54	105,752.00	118,000.00	312,172.44	124,323.00	442,830.00	5,042,268.98
Total Expenditures	3,939,191.54	105,752.00	118,000.00	312,172.44	124,323.00	442,830.00	5,042,268.98
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2015

	Total Brought Forward	Race to the Top	NJ DCF Teacher Partnership	School Linked OAH	Final
REVENUES:					
Federal Sources	\$ 2,931,084.10	\$ 205,200.00	\$ 157,280.47		\$ 3,293,564.57
State Sources	<u>2,111,184.88</u>			\$ 24,848.35	<u>2,136,033.23</u>
Total Revenues	<u>5,042,268.98</u>	<u>205,200.00</u>	<u>157,280.47</u>	<u>24,848.35</u>	<u>5,429,597.80</u>
EXPENDITURES:					
Support Services:					
Salaries	1,657,925.75	106,194.74	13,488.00		1,777,608.49
Personal Services - Employee Benefits	661,328.31	55,800.00			717,128.31
Purchased Professional - Educational Services	650,796.37		124,611.34		775,407.71
Other Purchased Services (400-500 series)	220,420.26	8,096.12	5,142.86	24,848.35	258,507.59
General Supplies	238,156.03	19,909.14	2,906.84		260,972.01
Building Use / Rent	282,714.31				282,714.31
Miscellaneous Expenditures	1,024,193.74		2,560.00		1,026,753.74
Miscellaneous Indirect Costs	<u>306,734.21</u>	<u>15,200.00</u>	<u>8,571.43</u>		<u>330,505.64</u>
Total Support Services	<u>5,042,268.98</u>	<u>205,200.00</u>	<u>157,280.47</u>	<u>24,848.35</u>	<u>5,429,597.80</u>
Total Expenditures	<u>5,042,268.98</u>	<u>205,200.00</u>	<u>157,280.47</u>	<u>24,848.35</u>	<u>5,429,597.80</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PROPRIETARY FUNDS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Net Position
June 30, 2015

	Enterprise Funds -						Total
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	
ASSETS:							
Current Assets:							
Cash and Cash Equivalents		\$ 6,977.69			\$ 37,825.16		\$ 44,802.85
Accounts Receivable, Other			\$ 44,143.65				44,143.65
Accounts Receivable, Other Governmental	\$ 30,798.22		1,483,181.75	\$ 113,331.14	3,675.00	\$ 15,140.90	1,646,127.01
Receivable from Component Unit	9,880.16		2,737.35				12,617.51
Total Current Assets	<u>40,678.38</u>	<u>6,977.69</u>	<u>1,530,062.75</u>	<u>113,331.14</u>	<u>41,500.16</u>	<u>15,140.90</u>	<u>1,747,691.02</u>
Noncurrent Assets:							
Capital Assets			51,270.16				51,270.16
Less: Accumulated Depreciation			(8,234.60)				(8,234.60)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>43,035.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,035.56</u>
Total Assets	<u>40,678.38</u>	<u>6,977.69</u>	<u>1,573,098.31</u>	<u>113,331.14</u>	<u>41,500.16</u>	<u>15,140.90</u>	<u>1,790,726.58</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Related to Pensions	56,806.55	36,028.31	701,122.43	17,918.85	15,250.08	39,840.84	866,967.06
LIABILITIES:							
Current Liabilities:							
Cash Deficit	9,628.71		1,337,143.72	34,887.16		73,617.11	1,455,276.70
Accounts Payable	20,955.69	9,297.57	486,451.00	53,760.65	3,570.58	9,854.03	583,889.52
Total Current Liabilities	<u>30,584.40</u>	<u>9,297.57</u>	<u>1,823,594.72</u>	<u>88,647.81</u>	<u>3,570.58</u>	<u>83,471.14</u>	<u>2,039,166.22</u>
Noncurrent Liabilities:							
Net Pension Liability	186,385.81	118,211.13	2,300,426.06	58,792.84	50,036.46	130,720.24	2,844,572.54
Total Noncurrent Liabilities	<u>186,385.81</u>	<u>118,211.13</u>	<u>2,300,426.06</u>	<u>58,792.84</u>	<u>50,036.46</u>	<u>130,720.24</u>	<u>2,844,572.54</u>
Total Liabilities	<u>216,970.21</u>	<u>127,508.70</u>	<u>4,124,020.78</u>	<u>147,440.65</u>	<u>53,607.04</u>	<u>214,191.38</u>	<u>4,883,738.76</u>
DEFERRED INFLOWS OF RESOURCES:							
Related to Pensions	11,107.59	7,044.75	137,093.04	3,503.74	2,981.90	7,790.22	169,521.24
NET POSITION:							
Net Investment in Capital Assets			43,035.56				43,035.56
Unrestricted	(130,592.87)	(91,547.45)	(2,029,928.64)	(19,694.40)	161.30	(166,999.86)	(2,438,601.92)
Total Net Position	<u>\$ (130,592.87)</u>	<u>\$ (91,547.45)</u>	<u>\$ (1,986,893.08)</u>	<u>\$ (19,694.40)</u>	<u>\$ 161.30</u>	<u>\$ (166,999.86)</u>	<u>\$ (2,395,566.36)</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds -						Total
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	
OPERATING REVENUES:							
Local Sources:							
Services Provided to Other LEA's	\$ 246,906.16		\$ 8,718,545.86	\$ 877,685.13	\$ 115,616.30		\$ 9,958,753.45
Services Provided to Other Funds Contributions			112,003.30	94,052.50			206,055.80
Other Local Sources	<u>140,410.08</u>	<u>\$ 133,842.97</u>	<u>188,389.36</u>	<u>143,045.29</u>	<u>2,505.24</u>	<u>\$ 134,810.65</u>	<u>743,003.59</u>
Total Operating Revenues	<u>387,316.24</u>	<u>133,842.97</u>	<u>9,018,938.52</u>	<u>1,114,782.92</u>	<u>118,121.54</u>	<u>134,810.65</u>	<u>10,907,812.84</u>
OPERATING EXPENSES:							
Salaries	164,573.56	126,905.94	1,375,532.39	421,133.13	52,706.61	71,772.84	2,212,624.47
Employee Benefits	12,529.82	13,882.64	701,639.92	50,157.04	9,758.67	35,076.62	823,044.71
Purchased Professional/Technical Services	97,750.00		188,135.72	459,822.28	1,450.00		747,158.00
Purchased Property Services	22,086.53						22,086.53
Equipment			63,258.66	6,098.25			69,356.91
Other Purchased Services (500 Series)		39,194.06	183,763.77	34,245.71	5,414.52	77,244.71	339,862.77
Supplies and Materials	26,214.90	19,959.19	26,476.38	41,178.42	5,136.88	30.23	118,996.00
Building Usage		2,650.09	69,200.82				71,850.91
Cost of Sales			5,349,423.36				5,349,423.36
Miscellaneous Other Expenses	2,957.91		3,911.56	9,362.21			16,231.68
Indirect Cost	42,974.63	10,707.87	276,282.90	92,769.77	13,865.46	21,278.36	457,878.99
Depreciation Expenses			6,324.82				6,324.82
Total Operating Expenses	<u>369,087.35</u>	<u>213,299.79</u>	<u>8,243,950.30</u>	<u>1,114,766.81</u>	<u>88,332.14</u>	<u>205,402.76</u>	<u>10,234,839.15</u>
Income (Loss) Before Contributions	<u>18,228.89</u>	<u>(79,456.82)</u>	<u>774,988.22</u>	<u>16.11</u>	<u>29,789.40</u>	<u>(70,592.11)</u>	<u>672,973.69</u>
Change in Net Position	<u>18,228.89</u>	<u>(79,456.82)</u>	<u>774,988.22</u>	<u>16.11</u>	<u>29,789.40</u>	<u>(70,592.11)</u>	<u>672,973.69</u>
Net Position, July 1	3,607.44	78,112.40	(1,006,501.73)	25,152.37	8,553.08	3,340.57	(887,735.87)
Prior Period Adjustments	<u>(152,429.20)</u>	<u>(90,203.03)</u>	<u>(1,755,379.57)</u>	<u>(44,862.88)</u>	<u>(38,181.18)</u>	<u>(99,748.32)</u>	<u>(2,180,804.18)</u>
Net Position -- July 1 (Restated)	<u>(148,821.76)</u>	<u>(12,090.63)</u>	<u>(2,761,881.30)</u>	<u>(19,710.51)</u>	<u>(29,628.10)</u>	<u>(96,407.75)</u>	<u>(3,068,540.05)</u>
Net Position -- June 30	<u>\$ (130,592.87)</u>	<u>\$ (91,547.45)</u>	<u>\$ (1,986,893.08)</u>	<u>\$ (19,694.40)</u>	<u>\$ 161.30</u>	<u>\$ (166,999.86)</u>	<u>\$ (2,395,566.36)</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Enterprise Funds -						Totals
	Research & Grants	Monarch Program	Technology	Professional Development	National Talent Network	School Bus Advertising	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	\$ 400,555.27	\$ 133,842.97	\$ 9,132,504.63	\$ 1,085,206.78	\$ 116,701.54	\$ 125,644.75	\$ 10,994,455.94
Payments to Employees	(164,573.56)	(126,905.94)	(1,375,532.39)	(421,133.13)	(52,706.61)	(71,772.84)	(2,212,624.47)
Payments for Employee Benefits	(3,699.21)	(8,282.02)	(592,650.12)	(47,371.54)	(7,388.04)	(28,883.35)	(688,274.28)
Payments to Suppliers	(207,533.25)	(69,986.72)	(8,021,809.04)	(634,632.14)	(26,474.83)	(95,971.24)	(9,056,407.22)
Net Cash Provided by (used for) Operating Activities	<u>24,749.25</u>	<u>(71,331.71)</u>	<u>(857,486.92)</u>	<u>(17,930.03)</u>	<u>30,132.06</u>	<u>(70,982.68)</u>	<u>(962,850.03)</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES:							
Purchase of Capital Assets			(3,917.16)				(3,917.16)
Net Cash Provided by (used for) Capital and Related Financing Activities	-	-	(3,917.16)	-	-	-	(3,917.16)
Net Increase (Decrease) in Cash and Cash Equivalents	24,749.25	(71,331.71)	(861,404.08)	(17,930.03)	30,132.06	(70,982.68)	(966,767.19)
Cash and Cash Equivalents -- July 1	(34,377.96)	78,309.40	(475,739.64)	(16,957.13)	7,693.10	(2,634.43)	(443,706.66)
Cash and Equivalents -- June 30	<u>\$ (9,628.71)</u>	<u>\$ 6,977.69</u>	<u>\$ (1,337,143.72)</u>	<u>\$ (34,887.16)</u>	<u>\$ 37,825.16</u>	<u>\$ (73,617.11)</u>	<u>\$ (1,410,473.85)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating Income (Loss)	\$ 18,228.89	\$ (79,456.82)	\$ 774,988.22	\$ 16.11	\$ 29,789.40	\$ (70,592.11)	\$ 672,973.69
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization			6,324.82				6,324.82
(Increase) Decrease in Accounts Receivable Other			(44,143.65)				(44,143.65)
(Increase) Decrease in Accounts Receivable, Other Government	(12,940.71)		160,447.11	(29,576.14)	(1,420.00)	(9,165.90)	107,344.36
(Increase) Decrease in Receivable from Component Unit	26,179.74		(2,737.35)				23,442.39
Increase (Decrease) in Accounts Payable	(6,718.67)	8,125.11	(1,752,366.07)	11,630.00	1,762.66	8,775.33	(1,728,791.64)
Total Adjustments	<u>6,520.36</u>	<u>8,125.11</u>	<u>(1,632,475.14)</u>	<u>(17,946.14)</u>	<u>342.66</u>	<u>(390.57)</u>	<u>(1,635,823.72)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 24,749.25</u>	<u>\$ (71,331.71)</u>	<u>\$ (857,486.92)</u>	<u>\$ (17,930.03)</u>	<u>\$ 30,132.06</u>	<u>\$ (70,982.68)</u>	<u>\$ (962,850.03)</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Proprietary Fund
 Combining Statement of Net Position
 June 30, 2015

	Internal Service Funds -						
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	Total
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$ 271,416.05			\$ 10,265.26	\$ 624,748.65	\$ 398,116.48	\$ 1,304,546.44
Accounts Receivable, Other		\$ 27,104.00					27,104.00
Accounts Receivable, Other Governmental		1,725.00	\$ 1,900.06				3,625.06
Receivable from Component Unit	12,815.77	7,714.35		1,617.53			22,147.65
Total Current Assets	284,231.82	36,543.35	1,900.06	11,882.79	624,748.65	398,116.48	1,357,423.15
Noncurrent Assets:							
Capital Assets	10,238.32	1,259,272.90	2,800.00				1,272,311.22
Less: Accumulated Depreciation	(10,238.32)	(759,578.96)	(2,800.00)				(772,617.28)
Total Noncurrent Assets	-	499,693.94	-	-	-	-	499,693.94
Total Assets	284,231.82	536,237.29	1,900.06	11,882.79	624,748.65	398,116.48	1,857,117.09
DEFERRED OUTFLOWS OF RESOURCES:							
Related to Pensions	82,350.42						82,350.42
LIABILITIES:							
Current Liabilities:							
Cash Deficit		45,448.01	90,719.97				136,167.98
Accounts Payable	28,393.93	57,064.92	2,802.58				88,261.43
Interfund Payable	20,151.65						20,151.65
Payable Due Component Unit					321,622.00		321,622.00
Noncurrent Liabilities Due within One Year		29,087.29					29,087.29
Total Current Liabilities	48,545.58	131,600.22	93,522.55	-	321,622.00	-	595,290.35
Noncurrent Liabilities:							
Mortgage Payable		367,387.61					367,387.61
Net Pension Liability	270,196.85						270,196.85
Compensated Absences Payable						391,067.62	391,067.62
Total Noncurrent Liabilities	270,196.85	367,387.61	-	-	-	391,067.62	1,028,652.08
Total Liabilities	318,742.43	498,987.83	93,522.55	-	321,622.00	391,067.62	1,623,942.43
DEFERRED INFLOWS OF RESOURCES:							
Related to Pensions	16,102.28						16,102.28
NET POSITION:							
Net Investment in Capital Assets		103,219.04					103,219.04
Unrestricted	31,737.53	(65,969.58)	(91,622.49)	11,882.79	303,126.65	7,048.86	196,203.76
Total Net Position	\$ 31,737.53	\$ 37,249.46	\$ (91,622.49)	\$ 11,882.79	\$ 303,126.65	\$ 7,048.86	\$ 299,422.80

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2015

	Internal Service Funds -						
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	Total
OPERATING REVENUES:							
Local Sources:							
Services Provided to Other LEA's			\$ 11,718.56				\$ 11,718.56
Services Provided to Other Funds	\$ 788,539.61	\$ 613,317.05	68,940.86	\$ 64,854.25	\$ 1,596,543.26	\$ 47,107.81	3,179,302.84
Other Local Sources	8,216.09	152,551.22	8,458.22	527.92			169,753.45
Total Operating Revenues	796,755.70	765,868.27	89,117.64	65,382.17	1,596,543.26	47,107.81	3,360,774.85
OPERATING EXPENSES:							
Salaries	304,376.65	16,883.93	54,895.53	22,252.68			398,408.79
Employee Benefits	122,023.64	1,354.05	22,034.25	3,622.51	1,377,227.50	51,885.05	1,578,147.00
Purchased Professional/Technical Services	40,236.22	946.09					41,182.31
Equipment	4,840.77	9,052.48	55,161.69				69,054.94
Other Purchased Services (500 Series)	45,133.89	24,301.81	11,729.43	1,585.00			82,750.13
Supplies and Materials	21,539.98	136,285.82	15,188.31				173,014.11
Interest on Mortgage		23,984.34					23,984.34
Building Use Charges	19,625.50	474,910.56	7,334.82				501,870.88
Miscellaneous Other Expenses	1,357.41						1,357.41
Indirect Cost			21,215.48	29,204.63			50,420.11
Depreciation Expense		44,177.70					44,177.70
Total Operating Expenses	559,134.06	731,896.78	187,559.51	56,664.82	1,377,227.50	51,885.05	2,964,367.72
Operating Income / (Loss)	237,621.64	33,971.49	(98,441.87)	8,717.35	219,315.76	(4,777.24)	396,407.13
Change in Net Position	237,621.64	33,971.49	(98,441.87)	8,717.35	219,315.76	(4,777.24)	396,407.13
Net Position, July 1	294.24	3,277.97	6,819.38	3,165.44	403.75	11,826.10	25,786.88
Prior Period Adjustments	(206,178.35)				83,407.14		(122,771.21)
Net Position -- July 1 (Restated)	(205,884.11)	3,277.97	6,819.38	3,165.44	83,810.89	11,826.10	(96,984.33)
Net Position -- June 30	\$ 31,737.53	\$ 37,249.46	\$ (91,622.49)	\$ 11,882.79	\$ 303,126.65	\$ 7,048.86	\$ 299,422.80

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

	Internal Service Funds -						Totals
	Business & Support Services	Building Services	Document Management	Telephone Services	Fringe Benefits	Accrued Sick	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	\$ 785,311.13	\$ 783,976.12	\$ 90,803.72	\$ 63,764.64	\$ 1,596,543.26	\$ 47,107.81	\$ 3,367,506.68
Payments to Employees	(304,376.65)	(16,883.93)	(54,895.53)	(22,252.68)			(398,408.79)
Payments for Employee Benefits	(109,222.23)	(1,354.05)	(22,034.25)	(3,622.51)	(1,377,227.50)	(15,852.23)	(1,529,312.77)
Payments to Suppliers	(99,572.75)	(612,529.56)	(108,220.58)	(30,789.63)			(851,112.52)
Net Cash Provided by (used for) Operating Activities	<u>272,139.50</u>	<u>153,208.58</u>	<u>(94,346.64)</u>	<u>7,099.82</u>	<u>219,315.76</u>	<u>31,255.58</u>	<u>588,672.60</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal Payments on Mortgage Payable		(27,137.40)					(27,137.40)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>(27,137.40)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,137.40)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	272,139.50	126,071.18	(94,346.64)	7,099.82	219,315.76	31,255.58	561,535.20
Cash and Cash Equivalents -- July 1	(723.45)	(171,519.19)	3,626.67	3,165.44	405,432.89	366,860.90	606,843.26
Cash and Equivalents -- June 30	<u>\$ 271,416.05</u>	<u>\$ (45,448.01)</u>	<u>\$ (90,719.97)</u>	<u>\$ 10,265.26</u>	<u>\$ 624,748.65</u>	<u>\$ 398,116.48</u>	<u>\$ 1,168,378.46</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating Income (Loss)	\$ 237,621.64	\$ 33,971.49	\$ (98,441.87)	\$ 8,717.35	\$ 219,315.76	\$ (4,777.24)	\$ 396,407.13
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization		44,177.70					44,177.70
(Increase) Decrease in Accounts Receivable Other		25,822.20					25,822.20
(Increase) Decrease in Accounts Receivable, Other Government	1,371.20		1,686.08				3,057.28
(Increase) Decrease in Receivable from Component Unit	(12,815.77)	(7,714.35)		(1,617.53)			(22,147.65)
Increase (Decrease) in Accounts Payable	25,810.78	56,951.54	2,409.15				85,171.47
Increase (Decrease) in Interfund Payable	20,151.65						20,151.65
Increase (Decrease) in Compensated Absences						36,032.82	36,032.82
Total Adjustments	<u>34,517.86</u>	<u>119,237.09</u>	<u>4,095.23</u>	<u>(1,617.53)</u>	<u>-</u>	<u>36,032.82</u>	<u>192,265.47</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 272,139.50</u>	<u>\$ 153,208.58</u>	<u>\$ (94,346.64)</u>	<u>\$ 7,099.82</u>	<u>\$ 219,315.76</u>	<u>\$ 31,255.58</u>	<u>\$ 588,672.60</u>

FIDUCIARY FUNDS

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2015

	<u>Agency Funds</u>	<u>Total</u>
ASSETS:		
Cash and Cash Equivalents	\$ 20,735.94	\$ 20,735.94
Total Assets	<u>\$ 20,735.94</u>	<u>\$ 20,735.94</u>
LIABILITIES:		
Payroll Deductions and Withholdings	\$ 16,745.55	16,745.55
Interfund Accounts Payable:		
Due General Fund	<u>3,990.39</u>	<u>3,990.39</u>
Total Liabilities	<u>\$ 20,735.94</u>	<u>\$ 20,735.94</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Fiduciary Funds
 Payroll 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>
ASSETS:				
Cash and Cash Equivalents	\$ 20,417.53	\$ 5,564,896.05	\$ 5,564,577.64	\$ 20,735.94
Total Assets	<u>\$ 20,417.53</u>	<u>\$ 5,564,896.05</u>	<u>\$ 5,564,577.64</u>	<u>\$ 20,735.94</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 17,999.79	\$ 2,302,054.92	\$ 2,303,309.16	\$ 16,745.55
Net Payroll		3,261,242.73	3,261,242.73	
Interfund Accounts Payable:				
Due General Fund	<u>2,417.74</u>	<u>1,598.40</u>	<u>25.75</u>	<u>3,990.39</u>
Total Liabilities	<u>\$ 20,417.53</u>	<u>\$ 5,564,896.05</u>	<u>\$ 5,564,577.64</u>	<u>\$ 20,735.94</u>

LONG-TERM DEBT

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Schedule of Mortgage Payable
 For the Fiscal Year Ended June 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2014	Retired	Balance June 30, 2015
			Date	Amount				
Purchase of Building	12/20/2005	\$ 600,000.00	FY 2016	\$ 29,087.29	5.65%			
			FY 2017	30,773.96	5.65%			
			FY 2018	32,558.43	5.65%			
			FY 2019	34,446.37	5.65%			
			FY 2020	36,443.79	5.65%			
			FY 2021	38,557.03	5.65%			
			FY 2022	40,792.81	5.65%			
			FY 2023	43,158.23	5.65%			
			FY 2024	45,660.82	5.65%			
			FY 2025	48,308.52	5.65%			
			FY 2026	16,687.65	5.65%			
					\$ 423,612.30	\$ 27,137.40	\$ 396,474.90	

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities										
Net Investment in Capital Assets	\$ 104,598.78	\$ 122,912.68	\$ 166,548.88	\$ (65,280.64)	\$ 3,158.99	\$ 4,564.85	\$ 6,362.46	\$ 9,854.62	\$ 13,316.00	\$ 16,280.02
Restricted		740,000.00	704,334.09							
Unrestricted	(1,763,170.17)	154,829.02	787,727.65	951,287.12	218,163.41	360,325.73	373,121.97	440,662.05	208,867.06	140,758.92
Total Governmental Activities Net Position	\$ (1,658,571.39)	\$ 1,017,741.70	\$ 1,658,610.62	\$ 886,006.48	\$ 221,322.40	\$ 364,890.58	\$ 379,484.43	\$ 450,516.67	\$ 222,183.06	\$ 157,038.94
Business-type Activities										
Net Investment in Capital Assets	\$ 43,035.56	\$ 45,443.22		\$ 119.40	\$ (26,012.98)	\$ 20,851.31	\$ 485,281.92	\$ 490,186.60	\$ 478,633.74	\$ 437,522.33
Restricted										
Unrestricted	(2,438,601.92)	(933,179.09)	\$ 443,396.94	175,293.48	588,245.54	588,263.79	(658,863.03)	(764,742.92)	(574,452.08)	(288,588.66)
Total Business-type Activities Net Position	\$ (2,395,566.36)	\$ (887,735.87)	\$ 443,396.94	\$ 175,412.88	\$ 562,232.56	\$ 609,115.10	\$ (173,581.11)	\$ (274,556.32)	\$ (95,818.34)	\$ 148,933.67
District-wide										
Net Investment in Capital Assets	\$ 147,634.34	\$ 168,355.90	\$ 166,548.88	\$ (65,161.24)	\$ (22,853.99)	\$ 25,416.16	\$ 491,644.38	\$ 500,041.22	\$ 491,949.74	\$ 453,802.35
Restricted	-	740,000.00	704,334.09	-	-	-	-	-	-	-
Unrestricted	(4,201,772.09)	(778,350.07)	1,231,124.59	1,126,580.60	806,408.95	948,589.52	(285,741.06)	(324,080.87)	(365,585.02)	(147,829.74)
Total District-wide Net Position	\$ (4,054,137.75)	\$ 130,005.83	\$ 2,102,007.56	\$ 1,061,419.36	\$ 783,554.96	\$ 974,005.68	\$ 205,903.32	\$ 175,960.35	\$ 126,364.72	\$ 305,972.61

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

Source: Center Records

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities:										
Support Services:										
General Administrative Services	\$ 7,771,560.34	\$ 7,474,109.63	\$ 10,591,223.80	\$ 8,520,838.03	\$ 6,828,512.26	\$ 11,646,705.13	\$ 11,228,104.16	\$ 11,117,182.72	\$ 10,013,566.07	\$ 10,189,611.03
Employee Benefits	2,575,819.54	1,744,329.73	1,557,309.57							
Interest on Long-term Debt	23,984.34	25,083.97								
Transfers to Other Funds:										
Unallocated Depreciation	45,451.30									
Enterprise Funds							126,205.96	119,158.06	162,899.26	485,947.47
Internal Service Funds						207,141.95	30,018.84			
Unallocated Depreciation		69,419.63	68,371.00		1,405.85	1,797.62	3,492.16	3,461.38	2,964.02	7,580.95
Total Governmental Activities Expenses	<u>10,416,815.52</u>	<u>9,312,942.96</u>	<u>12,216,904.37</u>	<u>8,520,838.03</u>	<u>6,829,918.11</u>	<u>11,855,644.70</u>	<u>11,387,821.12</u>	<u>11,239,802.16</u>	<u>10,179,429.35</u>	<u>10,683,139.45</u>
Business-type Activities:										
Enterprise	10,234,839.15	12,231,773.66	3,144,760.12	2,380,389.49	2,706,836.24	1,927,339.89	1,924,043.21	2,370,106.53	2,013,336.29	1,690,813.84
Internal Service Funds					4,161,167.24	4,144,030.49	3,818,008.75	3,329,463.61	3,197,143.65	2,499,021.40
Total Business-type Activities Expenses	<u>10,234,839.15</u>	<u>12,231,773.66</u>	<u>3,144,760.12</u>	<u>2,380,389.49</u>	<u>6,868,003.48</u>	<u>6,071,370.38</u>	<u>5,742,051.96</u>	<u>5,699,570.14</u>	<u>5,210,479.94</u>	<u>4,189,835.24</u>
Total District Expenses	<u>\$ 20,651,654.67</u>	<u>\$ 21,544,716.62</u>	<u>\$ 15,361,664.49</u>	<u>\$ 10,901,227.52</u>	<u>\$ 13,697,921.59</u>	<u>\$ 17,927,015.08</u>	<u>\$ 17,129,873.08</u>	<u>\$ 16,939,372.30</u>	<u>\$ 15,389,909.29</u>	<u>\$ 14,872,974.69</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 3,360,774.85	\$ 2,608,076.47	\$ 6,468,975.30	\$ 2,303,275.24						
Operating Grants and Contributions	5,333,874.95	4,731,973.08	4,463,183.57	4,379,821.41	\$ 5,747,366.18	\$ 11,197,345.01	\$ 10,770,642.86	\$ 10,816,847.86	\$ 9,714,053.60	\$ 9,915,230.51
Total Governmental Activities Program Revenues	<u>8,694,649.80</u>	<u>7,340,049.55</u>	<u>10,932,158.87</u>	<u>6,683,096.65</u>	<u>5,747,366.18</u>	<u>11,197,345.01</u>	<u>10,770,642.86</u>	<u>10,816,847.86</u>	<u>9,714,053.60</u>	<u>9,915,230.51</u>
Business-type activities:										
Charges for services:										
Enterprise	10,907,812.84	10,694,186.37	3,465,252.51	2,580,587.05	2,601,932.43	2,263,213.25	1,878,121.08	2,097,844.49	1,634,038.69	1,309,873.71
Internal Service Funds					4,199,758.36	3,766,598.16	3,838,670.54	3,303,837.19	3,166,092.69	2,269,207.76
Operating Grants and Contributions		34,881.66					126,205.96	119,158.06	162,899.26	233,377.71
Total Business-type Activities Program Revenues	<u>10,907,812.84</u>	<u>10,729,068.03</u>	<u>3,465,252.51</u>	<u>2,580,587.05</u>	<u>6,801,690.79</u>	<u>6,029,811.41</u>	<u>5,842,997.58</u>	<u>5,520,839.74</u>	<u>4,963,030.64</u>	<u>3,812,459.18</u>
Total District Program Revenues	<u>\$ 19,602,462.64</u>	<u>\$ 18,069,117.58</u>	<u>\$ 14,397,411.38</u>	<u>\$ 9,263,683.70</u>	<u>\$ 12,549,056.97</u>	<u>\$ 17,227,156.42</u>	<u>\$ 16,613,640.44</u>	<u>\$ 16,337,687.60</u>	<u>\$ 14,677,084.24</u>	<u>\$ 13,727,689.69</u>
Net (Expense)/Revenue										
Governmental Activities	\$ 1,722,165.72	\$ 1,972,893.41	\$ 1,284,745.50	\$ 1,837,741.38	\$ 1,082,551.93	\$ 658,299.69	\$ 617,178.26	\$ 422,954.30	\$ 465,375.75	\$ 767,908.94
Business-type Activities	<u>(672,973.69)</u>	<u>1,502,705.63</u>	<u>(320,492.39)</u>	<u>(200,197.56)</u>	<u>66,312.69</u>	<u>41,558.97</u>	<u>(100,945.62)</u>	<u>178,730.40</u>	<u>247,449.30</u>	<u>377,376.06</u>
Total District-wide Net Expense	<u>\$ 1,049,192.03</u>	<u>\$ 3,475,599.04</u>	<u>\$ 964,253.11</u>	<u>\$ 1,637,543.82</u>	<u>\$ 1,148,864.62</u>	<u>\$ 699,858.66</u>	<u>\$ 516,232.64</u>	<u>\$ 601,684.70</u>	<u>\$ 712,825.05</u>	<u>\$ 1,145,285.00</u>

(Continued)

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and Contributions		\$ 75,006.00	\$ 89,334.00	\$ 32,150.76	\$ 36,792.12	\$ 448,196.32	\$ 489,200.44	\$ 450,000.00	\$ 485,660.35	\$ 477,903.37
Investment Earnings	\$ 619.31	101,718.65	33,498.81	939.16	915.12	1,820.00	8,365.46	29,500.62	36,166.20	58,719.32
Student Achievement	272,688.00	114,300.00	90,000.00	82,850.00	136,000.00	143,188.69	45,000.00	136,425.00		
School Service Agreements/Contract	1,350,159.34	1,295,888.93	1,436,153.43	1,170,934.46	721,610.74					
Miscellaneous Income		72,252.21	100,775.20	653,414.44	43,665.77	50,500.83	3,580.12	35,362.29	8,693.32	29,331.35
Transfers to Other Funds		(191,560.63)	50,000.00							
Other		(135,580.67)	257,588.20							
Total Governmental Activities	1,623,466.65	1,332,024.49	2,057,349.64	1,940,288.82	938,983.75	643,705.84	546,146.02	651,287.91	530,519.87	565,954.04
Business-type Activities										
Miscellaneous Income		(19,987.81)	(2,388.93)		19,430.15	824,255.21	29.56	(7.58)	2,697.29	
Transfers		191,560.63	(50,000.00)	(25,000.00)						
Total Business-type Activities	-	171,572.82	(52,388.93)	(25,000.00)	19,430.15	824,255.21	29.56	(7.58)	2,697.29	-
Total District-wide	\$ 1,623,466.65	\$ 1,503,597.31	\$ 2,004,960.71	\$ 1,915,288.82	\$ 958,413.90	\$ 1,467,961.05	\$ 546,175.58	\$ 651,280.33	\$ 533,217.16	\$ 565,954.04
Change in Net Position										
Governmental Activities	\$ (98,699.07)	\$ (640,868.92)	\$ 772,604.14	\$ 102,547.44	\$ (143,568.18)	\$ (14,593.85)	\$ (71,032.24)	\$ 228,333.61	\$ 65,144.12	\$ (201,954.90)
Business-type Activities	672,973.69	(1,331,132.81)	268,103.46	175,197.56	(46,882.54)	782,696.24	100,975.18	(178,737.98)	(244,752.01)	(377,376.06)
Total District	\$ 574,274.62	\$ (1,972,001.73)	\$ 1,040,707.60	\$ 277,745.00	\$ (190,450.72)	\$ 768,102.39	\$ 29,942.94	\$ 49,595.63	\$ (179,607.89)	\$ (579,330.96)

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

Source: Center Records

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund										
Assigned		\$ 740,000.00	\$ 704,334.09		\$ 50,524.10					
Unassigned	\$ 585,252.03	249,301.48	48,917.94	\$ 469,206.59	167,639.31					
Reserved						\$ 65,036.04	\$ 65,036.04	\$ 114,220.18		
Unreserved						295,289.70	308,085.93	326,441.87	\$ 208,867.06	\$ 140,758.92
Total General Fund	<u>\$ 585,252.03</u>	<u>\$ 989,301.48</u>	<u>\$ 753,252.03</u>	<u>\$ 469,206.59</u>	<u>\$ 218,163.41</u>	<u>\$ 360,325.74</u>	<u>\$ 373,121.97</u>	<u>\$ 440,662.05</u>	<u>\$ 208,867.06</u>	<u>\$ 140,758.92</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: Center Records

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	For the Fiscal Year Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Interest Earnings	\$ 619.31	\$ 753.20	\$ 33,498.81	\$ 939.16	\$ 915.12	\$ 1,820.00	\$ 8,365.46	\$ 29,500.62	\$ 36,166.20	\$ 58,719.32
Student Achievement/School Services Agreement	1,622,847.34	1,410,188.93	1,526,153.43	1,253,784.46	857,610.74	143,188.69	45,000.00	136,425.00		
Miscellaneous		8,674.01	21,646.88	142,897.35	97,548.44	118,444.24	19,716.77	327,032.96	287,559.80	155,848.18
Program Income		63,578.20	80,722.64							
State Sources	3,298,794.29	3,090,876.44	2,775,498.57	2,715,597.75	1,948,165.49	2,350,027.55	2,407,101.07	2,304,494.09	2,295,544.19	2,964,663.82
Federal Sources	2,033,206.66	1,716,102.64	1,775,424.68	1,593,582.26	3,782,110.14	9,227,570.37	8,836,605.58	8,670,683.10	7,625,303.28	7,301,953.23
Total Revenue	6,955,467.60	6,290,173.42	6,212,945.01	5,706,800.98	6,686,349.93	11,841,050.85	11,316,788.88	11,468,135.77	10,244,573.47	10,481,184.55
Expenditures										
General Administrative Services	6,453,501.66	1,993,710.42	1,851,208.59	1,635,387.22	1,023,023.96	389,141.80	401,238.86	283,312.86	246,830.12	232,185.15
Unallocated Employee Benefits	778,652.31	75,006.00	89,334.00	32,150.76	36,792.12	43,196.32	39,200.44		35,660.35	27,903.37
Undistributed Expenditures - Food Service										
Community Services Programs/Operations		4,731,973.08	4,463,183.57	4,379,821.41	5,747,366.18	11,197,345.01	10,770,642.86	10,816,847.86	9,714,053.60	9,915,230.51
On-Behalf T.P.A.F. Social Security Contributions										
Normal Cost	17,568.00									
Post-Retirement Medical Contribution	27,890.00									
Reimbursed T.P.A.F. Social Security Contributions	22,931.06									
Capital Outlay					21,330.00	17,022.00	17,022.00	17,022.00	17,022.00	14,292.00
Total Expenditures	7,300,543.03	6,800,689.50	6,403,726.16	6,047,359.39	6,828,512.26	11,646,705.13	11,228,104.16	11,117,182.72	10,013,566.07	10,189,611.03
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,075.43)	(510,516.08)	(190,781.15)	(340,558.41)	(142,162.33)	194,345.72	88,684.72	350,953.05	231,007.40	291,573.52
Other Financing Sources (Uses)										
Operating Transfers In		880,000.00		591,601.59		(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)	(485,947.47)
Transfers to Other Funds		(133,434.47)	500,000.00							
Other			(25,173.41)							
Total Other Financing Sources (Uses)	-	746,565.53	474,826.59	591,601.59	-	(207,141.95)	(156,224.80)	(119,158.06)	(162,899.26)	(485,947.47)
Net Change in Fund Balances	\$ (345,075.43)	\$ 236,049.45	\$ 284,045.44	\$ 251,043.18	\$ (142,162.33)	\$ (12,796.23)	\$ (67,540.08)	\$ 231,794.99	\$ 68,108.14	\$ (194,373.95)

Source: Center Records

OPERATING INFORMATION

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

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Year
 Unaudited

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Support Services	12.0	2.0	11.5							
General Admission	3.0	2.0	2.0							
Research and Grants/BEST	5.0	3.0	2.5							
First Steps Grant	5.0	4.0	5.0							
Child Care Food Program	1.0	2.0	2.0							
CAP Grant	17.5	15.0	11.5							
LRC Grant (IDEA)	9.5	9.0	8.0							
Monarch Grant	1.0	2.0	2.0							
Professional Development	6.0	7.5	8.0							
National Talent Network	1.0	1.0	1.0							
School Bus Advertising	1.0	1.0	1.0							
Business and Support Services	6.5	5.0	5.0							
Building Services	0.5	0.5	0.5							
Documents Management	1.5	0.5	1.0							
Technology	29.0	27.0	11.0							
Telephone	1.5	1.5	2.0							
Total	<u>101</u>	<u>83.0</u>	<u>74.0</u>	<u>N/A</u>						

Source: Center Personnel Records

Educational Information and Resource Center
 Insurance Schedule
 June 30, 2015
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Package Policy		
Commercial General Liability		
General Aggregate	\$ 2,000,000.00	
Each Occurrence	1,000,000.00	
Property		
Buiding	1,000,000.00	
Business Property	1,000,000.00	\$ 500.00
Automobile	1,000,000.00	\$ 1,000.00
Umbrella	1,000,000.00	\$10,000 retention
Professional Liability		
General Aggregate	2,000,000.00	
Each Occurrence	1,000,000.00	
Workmen's Compensation	1,000,000.00	
Public Employee's Faithful Performance Bond	100,000.00	

Source: Center Records

SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S 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**

Honorable Chairman and
Members of the Board of Directors
Educational Information and Resource Center
107 Gilbreth Parkway, Suite 200
Mullica Hill, NJ 08062

Report on Compliance for Each Major Federal and State Program

We have audited the Educational Information and Resource Center'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 Educational Information and Resource Center's major federal and state programs for the fiscal year ended June 30, 2015. The Educational Information and Resource Center'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 Educational Information and Resource Center'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 Educational Information and Resource Center'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 Educational Information and Resource Center's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Educational Information and Resource Center 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 Educational Information and Resource Center 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 Educational Information and Resource Center'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 Educational Information and Resource Center'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



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
May 9, 2016

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2015

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	<u>Grant Period</u>	
				From	To
U.S. Department of Education					
Passed-Through State Department of Education:					
Special Revenue Fund:					
Title I - Cluster					
Title I - Part D	84.013	NCLB129515	\$ 84,663.00	7/1/14	6/30/15
Title I - Part D	84.013	NCLB129514	158,149.00	7/1/13	6/30/14
Total Title I Cluster					
I.D.E.A. Part B Cluster					
I.D.E.A. Part B Basic Regular	84.027	IDEA129515	805,602.00	9/1/14	6/30/15
I.D.E.A. Part B Basic Regular	84.027	IDEA129514	998,728.00	9/1/13	8/31/14
I.D.E.A. Part B Basic Regular	84.027	IDEA129513	956,421.00	9/1/12	8/31/13
I.D.E.A. Part B Preschool	84.173	IDEA129515	245,013.00	9/1/14	6/30/15
I.D.E.A. Part B Preschool	84.173	IDEA129514	298,818.00	9/1/13	8/31/14
I.D.E.A. Part B Preschool	84.173	IDEA129513	277,173.00	9/1/12	8/31/13
Total I.D.E.A. Part B Cluster					
Passed-Through State Department of Children and Families					
Race to the Top	84.412	15BTHS	205,200.00	7/1/14	6/30/15
Total U.S. Department of Education					
U.S. Department of Agriculture					
Passed-Through State Department of Education:					
Child Care Food Program - Administrative	10.558	15-15-598	89,040.00	10/1/14	9/30/15
Child Care Food Program - Provider Meals	10.558	15-15-598	300,000.00	10/1/14	9/30/15
Child Care Food Program - Administrative	10.558	14-15-598	85,320.00	10/1/13	9/30/14
Child Care Food Program - Provider Meals	10.558	14-15-598	289,116.56	10/1/13	9/30/14
Total Child Care Food Program					
Total U.S. Department of Agriculture					
U.S. Department of Human Services					
Passed-Through State Department of Children and Families					
Children's Trust Fund	93.590	15BTHS	316,041.00	7/1/14	6/30/15
Help Me Grow / ECCS	93.110	15BTHS	124,323.00	7/1/14	6/30/15
Home Visiting	93.505	15BTHS	442,830.00	7/1/14	6/30/15
Parenting Teens	93.500	15BTHS	105,752.00	7/1/14	6/30/15
Project Launch	93.243	15BTHS	118,000.00	7/1/14	6/30/15
Teacher Partnership Initiative: Support for Students - SERG (SAMSHA Emergency Response Grant)	93.982	15YZHZ	300,000.00	7/1/14	3/31/16
Total U.S. Department of Health and Human Services					
Total Special Revenue Fund					
Total Federal Financial Assistance					

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

Balance at June 30, 2014			Balance at June 30, 2015					
Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ (17,920.87)			\$ 80,053.00 32,175.00	\$ 83,574.00 14,254.13		\$ (3,521.00)		
(17,920.87)	\$ -	\$ -	112,228.00	97,828.13	\$ -	(3,521.00)	\$ -	\$ -
(27,577.07) (859.52)			781,111.00 249,955.00	788,618.00 222,377.93		(7,507.00)		
(4,292.42) (1,443.56)			190,072.00 55,160.00	188,712.00 50,867.58	859.52	1,360.00		
(34,172.57)	-	-	1,276,298.00	1,250,575.51	2,303.08	(6,147.00)	-	-
			205,200.00	205,200.00				
(52,093.44)	-	-	1,593,726.00	1,553,603.64	2,303.08	(9,668.00)	-	-
(13,349.61) 448.33			53,257.54 216,035.94 37,399.00 172,462.21	53,257.54 216,035.94 37,399.00 172,910.54	13,349.61	(35,485.00) (164,184.89)	35,485.00 164,184.89	
(12,901.28)	-	-	479,154.69	479,603.02	13,349.61	(199,669.89)	199,669.89	-
(12,901.28)	-	-	479,154.69	479,603.02	13,349.61	(199,669.89)	199,669.89	-
			266,760.00 124,323.00 442,830.00 105,752.00 118,000.00	312,172.44 124,323.00 442,830.00 105,752.00 118,000.00		(49,281.00)		3,868.56
			171,432.00	157,280.47		(1,119.99)	15,271.52	
-	-	-	1,229,097.00	1,260,357.91	-	(50,400.99)	15,271.52	3,868.56
(64,994.72)	-	-	3,301,977.69	3,293,564.57	15,652.69	(259,738.88)	214,941.41	3,868.56
\$ (64,994.72)	\$ -	\$ -	\$ 3,301,977.69	\$ 3,293,564.57	\$ 15,652.69	\$ (259,738.88)	\$ 214,941.41	\$ 3,868.56

EDUCATIONAL INFORMATION AND RESOURCE CENTER
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2015

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2014		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
State Department of Education (State Aid):							
General Fund:							
Reimbursed TPAF Social Security Contributions:							
Reimbursed TPAF Social Security Contributions	15-495-034-5095-003	\$ 22,931.06	7/1/14	6/30/15			
Reimbursed TPAF Social Security Contributions	14-495-034-5095-003	23,895.00	7/1/13	6/30/14	\$ (992.72)		
Total General Fund					(992.72)	\$ -	\$ -
State Department of Human Services							
Special Revenue Fund:							
NJ First Steps Infant Toddler Initiative	15-100-054-7550-425	500,000.00	10/1/13	9/30/14	18,689.27		
NJ First Steps Infant Toddler Initiative	15-100-054-7550-425	500,000.00	10/1/14	9/30/15			
Child Abuse Prevention	15-100-016-1630-013	1,736,893.00	7/1/14	6/30/15			
School Linked OAH	15-100-016-1630-063	45,000.00	7/1/14	6/30/15			
Total Special Revenue Fund					18,689.27	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					17,696.55	-	-
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	N/A	17,568.00	7/1/14	6/30/15			
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	N/A	27,890.00	7/1/14	6/30/15			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ 17,696.55	\$ -	\$ -

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

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015			Memo	
				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2015	Cumulative Total Expenditures
\$ 22,144.61	\$ 22,931.06			\$ (786.45)				\$ 22,931.06
992.72								23,895.00
<u>23,137.33</u>	<u>22,931.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(786.45)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>46,826.06</u>
115,017.00	133,706.27							490,017.00
250,000.00	240,585.61			(250,000.00)	259,414.39			240,585.61
1,736,893.00	1,736,893.00							1,736,893.00
45,000.00	24,848.35					20,151.65		24,848.35
<u>2,146,910.00</u>	<u>2,136,033.23</u>	<u>-</u>	<u>-</u>	<u>(250,000.00)</u>	<u>259,414.39</u>	<u>20,151.65</u>	<u>-</u>	<u>2,492,343.96</u>
<u>2,170,047.33</u>	<u>2,158,964.29</u>	<u>-</u>	<u>-</u>	<u>(250,786.45)</u>	<u>259,414.39</u>	<u>20,151.65</u>	<u>-</u>	<u>2,539,170.02</u>
17,568.00	17,568.00							17,568.00
<u>27,890.00</u>	<u>27,890.00</u>							<u>27,890.00</u>
45,458.00	45,458.00	-	-	-	-	-	-	45,458.00
<u>\$ 2,215,505.33</u>	<u>\$ 2,204,422.29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250,786.45)</u>	<u>\$ 259,414.39</u>	<u>\$ 20,151.65</u>	<u>\$ -</u>	<u>\$ 2,584,628.02</u>

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2015

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the Center's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$0 for the general fund and (\$165,985.91) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0 for the general fund and (\$165,985.91) 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		\$ 68,389.06	\$ 68,389.06
Special Revenue	<u>\$ 2,033,206.66</u>	<u>3,230,405.23</u>	<u>5,263,611.89</u>
Total Awards and Financial Assistance	<u>\$ 2,033,206.66</u>	<u>\$ 3,298,794.29</u>	<u>\$ 5,332,000.95</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 cancellation of accounts receivable balances from prior grant years.

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. 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 Cost*.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings

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

Finding No. 2015-001

Criteria or Specific Requirement

The Educational Information and Resource Center (the "Center") should maintain an internal control environment that is effective in the prevention and/or the identification of potential financial statement misstatements and misclassification. The Center should review and verify on a monthly basis that all account reconciliations agree to the account balances the general ledger and all cash and non-cash activity is properly recorded in the general ledger.

Condition

During our examination of the Center's general ledgers and subsidiary records, the following were noted: (1) the opening general ledger balances did not reconcile to the prior year audit balances; (2) the cash balance in the general ledger did not agree to the bank reconciliations and the Treasurer's records; (3) accounts receivable and accounts payable per the subsidiary records did not agree to the balance in the general ledger; (4) numerous revenue and expense transactions between funds and with the Educational Information and Resource Center Foundation that occurred during the year were not recorded in the general ledger.

Context

During the audit, numerous material adjusting journal entries were needed to reconcile the general ledger to the supporting schedules and prior year audit.

Effect

Without a properly maintained general ledger system, the preparation of accurate and reliable financial statements and related disclosures may not be achieved and the Center's subsidiary records may not be complete and could result in improper reliance by the Center's decision makers on reports generated by the computer accounting system that have inaccuracies.

Cause

Procedures were not designed and followed to assure all transactions were recorded in the general ledger or to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis.

Recommendation

That adequate internal control policies and procedures are developed and implemented to ensure the general ledger and corresponding subsidiary ledgers for all funds are accurately and completely maintained. That the Center review and verify on a monthly basis that all account reconciliations agree to the account balances in the general ledger and all cash and non-cash activity is properly recorded in the general ledger.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-002

Criteria or Specific Requirement

The Educational Information and Resource Center should maintain an internal control environment that is effective in the prevention and/or the identification of potential financial statement misstatements and misclassification.

Condition

The following internal control deficiencies were noted during our audit analysis and testing procedures: (1) general ledger accounts are not reconciled to the subsidiary ledgers on a monthly basis; (2) the Board and management does not review reconciliations that are prepared; (3) receipts and expenses for grants are not reconciled to the general ledger and/or to the grant financial reports; (4) checks are approved by the Board subsequent to their issue date, except the small check run which is authorized to be approved by the finance officer and not included in the Board minutes; (5) the Board Secretary Report is not completed on a monthly basis and submitted to the Board; and (6) there are four audit findings repeated from the prior year audit for items that have not been addressed or corrected.

Context

As of June 30, 2015 reconciliations were not prepared for general ledger account balances and subsidiary ledgers; the Board did not review or approve financial transactions and reports of the Center; and prior year findings have not been addressed.

Effect

The lack of internal controls described above could result in misstated financial statements, inaccurate financial documentation, misappropriation of assets, improper use of funds, or modification of data which could go undetected by employees in the normal course of performing their assigned duties.

Cause

Failure to establish and follow adequate internal control policies and procedures.

Recommendation

That the Center establish, implement and follow internal control policies and procedures that require reconciliation of accounts to detail records and require review and approval of activity and transactions.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-003

Criteria or Specific Requirement

Supporting documentation should be maintained to provide an audit trail for revenues and expenditures during the year.

Condition

Proper supporting documentation was not maintained for all journal entries recorded in the general ledger.

Context

During our testing of account activity and balances, we noted numerous journal entries recorded in the general ledger did not have documentation available that supported the amounts recorded in the general ledger.

Effect

Potential financial statement misstatements and/or misclassification of expenses, other activity and transactions could occur during the year under audit.

Cause

Failure of the Educational Information and Resource Center to maintain documentation supporting the transactions recorded in the general ledger.

Recommendation

That the Educational Information and Resource Center maintains proper supporting documentation for all journal entries recorded in the general ledger.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-004

Criteria or Specific Requirement

NJAC 6A:23A-13.3(i) requires the creation of a report of current month and year-to-date transfers between general fund appropriation accounts.

Condition

During our examination of the budget we noted the accounting entries for transfers comingled the approved transfers with the original budget amounts.

Context

The recorded budget transfers were not easily identifiable within the accounting records.

Effect

Noncompliance with statutes and no reports of current month and year-to-date transfers were created.

Cause

The requirement was not known and budget transfers were not posted to a segregated account and a report was not created to track transfers made.

Recommendation

That the budgetary line item transfers be recorded in such a manner to enable the creation of the required current month and year-to-date transfer report.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-005

Criteria or Specific Requirement

The Educational Information and Resource Center should maintain an internal control environment that is effective in the prevention and/or the identification of potential financial statement misstatements and misclassification.

Condition

There were several expenditures noted during our testing of transactions that were not recorded in the proper fiscal year.

Context

Nine out of 48 purchase orders selected for testing were ordered, received, and coded to a 2015 account code, however, they were not recorded as an expense or accounts payable in the current year the financial statements.

Effect

The lack of controls over purchases increases the possibility of misclassification and misstatement of expenses and weakening of internal controls over financial reporting.

Cause

Client oversight in recording activity in the proper year.

Recommendation

That the Center establishes and implements internal control procedures to ensure all activity is recorded in the proper fiscal year.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-006

Criteria or Specific Requirement

NJSA 18A:18A-1 et seq., Public School Contracts Law and Joint Purchasing Contracts Law provide guidance regarding purchasing, bids, quotations, joint purchasing and state contracts.

Condition

The Center did not comply with purchasing, bids, quotations, joint purchasing and state contracts guidance provided by NJSA 18A:18A-1 et seq., Public School Contracts Law and Joint Purchasing Contracts Law.

Context

During testing, it was noted that purchases made in nine out of ten payments to vendors that were over the bid threshold and six of the revenue contracts selected for testing were not made in compliance with the statutes.

Effect

There is a weakening of internal controls over the purchasing process and noncompliance with New Jersey statutes.

Cause

Policies and procedures were not designed to monitor and ensure compliance with New Jersey statutes covering contracts and purchasing.

Recommendation

That the Center implements internal control policies and procedures to ensure compliance with purchasing, bids, quotations, joint purchasing and state contracts guidance provided by NJSA 18A:18A-1 et seq., Public School Contracts Law and Joint Purchasing Contracts Law.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-007

Criteria or Specific Requirement

NJAC 6A:23-16.12 and a strong internal control environment is required to be effective in the prevention and/or the identification of potential financial statement misstatements and misclassification. The Center should maintain billing reports and ensure timely deposits and posting to the general ledger accounts and account reconciliations should be prepared to ensure all activity is properly recorded in the general ledger.

Condition

During our examination of the Center's cash receipts and billing records, the following were noted: (1) several receipts were not deposited timely; (2) several receipts did not have documentation to support the date of the receipt; (3) reports are not maintained that adequately document billings for services; (4) invoices and bills are created in the billing module, but not timely posted in the general ledger module of the financial accounting system; and (5) there were several revenue transactions that were not recorded in the proper fiscal year.

Context

Five out of 40 receipts tested were not deposited timely; billing and receipt reports were not maintained to track the aged accounts receivable balances due to the Center; revenues were recorded during the year under audit that were for services provided during fiscal year 2016; and adjusting journal entries were needed to reconcile the general ledger to the supporting detail.

Effect

Without a properly maintained general ledger system, which includes billing and revenue subsidiary ledgers, the preparation of accurate and reliable financial statements and related disclosures may not be achieved and the Center's subsidiary records may not be complete or accurate.

Cause

Procedures were not designed and followed to assure that all transactions were accurately and timely recorded in the general ledger or to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis.

Recommendation

That adequate internal control policies and procedures are developed and implemented to ensure that receipts are deposited timely, that adequate documentation is accurately and completely maintained and posted to the general ledger in the proper period. Account reconciliations should be prepared in a timely manner to ensure all activity is recorded in the proper period.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2015-008

Criteria or Specific Requirement

The Center is required to complete the Reimbursement to the State of New Jersey form listing all federally funded contractual salaries reported on the Social Security Wage report and Teachers' Pension and Annuity Fund report and remit to the State the amount calculated on the form, as well as record the amount in the proper fiscal year.

Condition

The Center did not maintain records that supported the calculated amount for the employer's costs of TPAF/FICA payments which is reimbursed by a federal grant and owed to the State of New Jersey and did not record the amount in the proper fiscal year.

Context

Our audit procedures disclosed that the reported salaries could not be reconciled with the reports maintained by the Center. The Center did not record the payable amount of \$21,240.78 owed to the State in the proper fiscal year.

Effect

There is a potential misstatement of fringe expense and weakening of internal controls over financial reporting.

Cause

The Center did not record the return of funds as accounts payable as of June 30th and did not maintain records to support the calculation.

Recommendation

That the amount calculated in the Center's Reimbursement to the State of New Jersey form listing all federally funded contractual salaries reported on the Social Security Wage report and Teachers' Pension and Annuity Fund report be supported by adequate supporting records and recorded in the proper period.

View of Responsible Officials and Planned Corrective Action

The Center management agrees with the finding and plan to address the matter as part of their corrective action plan.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The Board's ratification of a number of purchase orders were not recorded in the minutes.

Current Status

This condition remains for the fiscal year ended June 30, 2015. (See Finding No. 2015-002)

Planned Corrective Action

Procedures continue to be developed by the Center to address this condition.

Finding No. 2014-002

Condition

Underperformed purchase orders at year end were included in accounts payable.

Current Status

Corrective action has been taken.

Finding No. 2014-003

Condition

The Uniform Minimum Chart of Accounts is not used in the accounting system.

Current Status

Corrective action has been taken.

Finding No. 2014-004

Condition

The accounting entries for transfers comingled the approved transfers within the original budget amounts.

Current Status

This condition remains for the fiscal year ended June 30, 2015. (See Finding No. 2015-004)

Planned Corrective Action

Procedures continue to be developed by the Center to address this condition.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (Cont'd)

Finding No. 2014-005

Condition

The Business Administrator and Treasurer financial reports were not submitted to the Executive County superintendent.

Current Status

Corrective action has been taken.

Finding No. 2014-006

Condition

Purchase orders do not contain any indication of the account code classification of the expenditure.

Current Status

Corrective action has been taken.

Finding No. 2014-007

Condition

Neither the Accounts Receivable subsidiary ledger, nor the Accounts Payable subsidiary ledger was reconciled to the general ledger.

Current Status

This condition remains for the fiscal year ended June 30, 2015. (See Finding No. 2015-002)

Planned Corrective Action

Procedures continue to be developed by the Center to address this condition.

Finding No. 2014-008

Condition

The Treasurer's records were not in agreement with the records of the Business Administrator.

Current Status

This condition remains for the fiscal year ended June 30, 2015. (See Finding No. 2015-001)

Planned Corrective Action

Procedures continue to be developed by the Center to address this condition.

EDUCATIONAL INFORMATION AND RESOURCE CENTER
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

FINANCIAL STATEMENT FINDINGS (Cont'd)

Finding No. 2014-009

Condition

New software for the accounting system was installed effective February 1, 2014. For numerous accounts, opening account balances entered into the new accounting system were not in agreement with the closing balances of the old accounting system.

Current Status

Corrective action has been taken.

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None

