

**SCHOOL DISTRICT OF LOGAN TOWNSHIP**

**LOGAN BOARD OF EDUCATION**

Logan Township, New Jersey  
County of Gloucester

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**LOGAN TOWNSHIP, NEW JERSEY**

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

**Prepared by**

**Logan Township Board of Education  
Business Office**



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**INTRODUCTORY SECTION**

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# Logan Township School District

*Patricia L. Haney*  
*Superintendent of Schools*

*Janine M. Wechter, CPA*  
*School Business Administrator*

December 9, 2015

Honorable President and  
Members of the Board of Education  
Logan Township School District  
County of Gloucester  
Logan Township, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Logan Township School District (District) for fiscal year ending June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Business Office of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. Reporting Entity and Its Services**

Logan Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Logan Township School District is a Pre-K - 12 School District operating 2 school buildings (an Early Childhood Educational Center serving grades Pre-Kindergarten to 1; an Elementary School serving grades 2 to 5 and a Middle School serving grades 6 to 8) while maintaining a sending relationship with the near-by Kingsway Regional High School District to accept students grades 9 to 12 on a tuition basis. Each school has its own school principal who serves as an instructional leader to staff and students.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These services include regular, as well as special education for gifted and handicapped students. The District completed the 2014-2015 fiscal year with an enrollment of 843 in-house elementary students. Continuation of the expanded preschool program for future years has been dependent on parent tuition and the District investment. Each year, we have been thankful that the Board of Education has continued to partially support the Pre-Kindergarten program which allows more at-risk Pre-Kindergarten students to be educated in an inclusive environment. The following details the changes in the student enrollment of the District over the last five years.

**Average Daily Enrollment**

Fiscal Year	Student Enrollment	Percent Change
2014-15	832.9	(0.63%)
2013-14	838.9	0.08%
2012-13	838.2	(4.66%)
2011-12	879.0	0.56%
2010-11	874.1	(3.23%)

In summary, student enrollment seems to be holding steady for the past two academic years, after a larger-than average eighth grade class graduated in 2012.

**2. Economic Condition and Outlook**

Three large industrial parks are located in Logan Township. The Logistic Center at Logan comprises 1,100 acres and the Pureland Industrial Complex covers 3,000 acres. The third industrial park, the Commodore Business Center, is located along the Rt. 322 industrial corridor partially in Logan Township and partially in adjacent Woolwich Township. Pureland Industrial Park is the largest industrial park in the state and has been hailed as the top "ultra-successful" business park in the U.S. according to Site Selection magazine. The Logan Township population has increased from 3,078 in 1980 to 5,971 in 2015. However, the staggering fiscal woes in the State of New Jersey coupled with the recession plaguing the country since 2008 has led to decreasing state aid as well as contracting property values and tax rates. Increasing unemployment, property taxes, and the cost of living correlate to a higher burden on school districts to provide the accustomed services with diminishing resources and increased number of students who qualify for free or reduced lunch. These combined forces are applying increased pressure on the District to practice fiscal discipline while maintaining a quality education to more at-risk students.

For the 2013-14 school year, a re-valuation of the Township's property was completed and is reflected below. It is important to note that while the rates increase, the tax rate drops due to the fact that the amount the municipality must raise is not changing. The new assessments are simply a foundation used to apportion the tax burden among taxpayers. Therefore, while a revaluation usually means an increase in each assessment, it does mean that taxes will increase for each individual taxpayer. For the 14-15 school year, rate decreased slightly due to appeals.

- 2011 - \$614,511,988
- 2012 - \$614,301,549
- 2013 - \$1,048,963,089
- 2014 - \$1,045,919,769
- 2015 - \$1,033,308,512

It is important to note here that the increasing unemployment correlates an increase on the burden to the unemployed families of our community as well as to the school district which is reflected by the 165% increase of low-income students over the past ten years. (See chart below).

<u>Fiscal Year</u>	<u>Total Free &amp; Reduced</u>	<u>Percentage of Population Which is Free &amp; Reduced</u>
2015-16	164	19.5%
2014-15	167	19.9%
2013-14	178	21.04%
2012-13	172	20.5%
2011-12	177	20.5%
2010-11	153	17.6%
2009-10	141	15.6%
2008-09	127	14.1%
2007-08	116	13.2%
2006-07	99	10.6%

### 3. Major Initiatives

Logan Township is an innovative school district, which places a priority on excellence, equity and student growth. To this end, technology tools are used to enhance student learning. Our District has a one-on-one digital device (presently Chromebooks) initiative for all students in grades 2 to 8. In addition to this, there are a variety of devices available to our students in Pre-K, Kindergarten and First Grade for daily use in the classroom. Besides these resources, the district has dedicated 3.7 district staff members to provide support for the various technology needs (both in the classroom and in school and district offices) to maintain a 21<sup>st</sup> century technology-centric environment. Technology Education (S.T.E.M./Science, Technology, Engineering and Mathematics) is provided for **all** students in grades 2 to 8. A pre-engineering class is offered before school to seventh and eighth grade students who meet district criteria. Eighth grade students who meet district criteria in math, also have the opportunity to enroll in Algebra I. All students in grades 1 to 7 have weekly World Language (Spanish or Italian) instruction. Eighth grade students have the option to take a full year of Spanish I or Italian I, if they meet certain academic criteria. After school programs and clubs provide opportunities to participate in drama, choir, dance, art, board games, athletics, and many other extra-curricular areas. Performing Arts activities provide opportunities for students to share their particular talent. As our schools are centered in a culturally diverse community, our faculty is dedicated to ensuring equitable access to each of these programs.

The District strives to remain on the cutting edge in the area of technology in order that our students have the proper technological skills that are required in the 21<sup>st</sup> century workplace environment. The Three-Year Technology Plan for 2013 to 2016 places a heavy emphasis on using technology for innovation, integration and data-driven academic interventions. Logan Township School District is committed to providing an infrastructure, which must support the ever-growing integration of technology to increase effectiveness and efficiency. Over the past several years, with the addition of a full-time Instructional Technology Coordinator and a full-time Curriculum Supervisor to our staff, there is on-going communication and coordination in district to fully integrate technology into daily instruction and usage, thus mirroring tomorrow’s work environment.

The District continues to be a leader in placing a strong emphasis on pre-school education. A state grant has been used over the past nine years to serve the at-risk population. Several years ago, the District was able to utilize ARRA Federal Stimulus Funds to expand the pre-school program to provide a more inclusive educational environment. Continuation of the pre-school program in the future continues to be dependent on the on-going commitment of the Board of Education, on State pre-school aid and or tuition from parents.

The District continues to be proactive in addressing building maintenance issues. Many components of the Five-Year Facility Maintenance Plan have been addressed. These include upgrades to the security cameras to include new placements in corridors and additional placements around the exterior of the Logan Schools building and Center Square School and various safety upgrades to the physical plant on both campuses. Energy-cost savings initiatives including changes to the lighting in several large group areas and hallways in both district buildings. The District was successful in their application for four R.O.D. (Regular Operating District) Grants which, include replacing Logan School's cooling tower (completed in the Fall 2014) the addition of an HVAC cooling system to the gymnasium (completion in Summer 2015), replacing the boiler (completion in Fall 2015) and replacing exterior doors at the Logan Schools building (due to be completed this month).

District curriculum are continually being revised by teams of teachers, under the direction of the District Curriculum Supervisor, because the district is committed to maintaining alignment to the state's Core Curriculum Content Standards, to the Common Core Standards for ELA and Mathematics and to the Next Generation Science Standards (NGSS). A continuous upgrading of instructional resources and teacher training, provided as a result of the partnership of the Supervisor of Curriculum and the three schools' principals, succeed in focusing the teaching and learning on the State's Core Curriculum Standards. Focus continues to be on implementing the Marzano Causal Framework for Teaching and Learning as the foundation for the successful implementation of the Marzano Teacher and Principal Evaluation Systems. Training in the various elements of the Marzano evaluation model will continue to be one of several foci of professional learning opportunities for the district. Focus on continued professional learning in the ever-changing technology area is also a high priority.

Professional Learning Opportunities are carefully planned and executed. A professional development plan for each school is prepared and followed annually in accordance with state regulations. In addition, a comprehensive mentor plan outlines services and support provided to teachers new to the profession. Both of these plans have been created with input from each school's SCIP (School Improvement Panel).

#### **4. Internal Accounting Controls**

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

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

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

## **5. Budgetary Controls**

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

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

## **6. Accounting System and Reports**

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

## **7. Debt Administration**

The district took advantage of low interest rates in April 2005 and refinanced the callable bonds from July 1999. On April 28, 2005, the District sold \$4,840,000 of general obligation bonds dated April 28, 2005, which have annual maturities to July 15, 2018. Of these bonds, \$2,160,000 was outstanding at June 30, 2015.

## **8. Cash Management**

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

## **9. Risk Management**

The 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, fidelity Bonds and Student/Volunteer Accident Insurance.

## **10. Other Information**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, PC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04. The auditor's report on the basic financial statements and the 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.

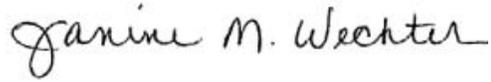
**11. Acknowledgments**

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

Respectfully submitted,



Patricia L. Haney  
Superintendent



Janine M. Wechter  
School Business Administrator

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**SUPERINTENDENT**

- Administrative Assistant
- Board Secretary
- District Secretary

- School Solicitor
- School Auditor
- Treasurer of School Moneys

**SUPV. STUDENT SERVICES**

- Child Study Team
- Speech
- Gifted & Talented
- E.L.L.
- Instructional Aides
- One-on-One Aides
- Secretary

**PRINCIPALS**

- Counselors
- School Area Coordinators

- Information Technology Mgr.
- Assistant ITM
- Technology Coach
- School Physician
- Nurse(s) & Aide
- Secretaries
- District Secretary

**FACILITIES MANAGER**

- Maintenance Supervisor
- Custodians
- Bus Coordinator

- Instructional Aides
- One-on-One Aides
- Classroom Aides
- Cafeteria Playground Aides

**BUSINESS ADMINISTRATOR**

- Administrative Assistant
- Cafeteria Manager
- Cafeteria Staff

**Teachers**

- Classroom Aides

**LOGAN TOWNSHIP BOARD OF EDUCATION**

110 School Lane  
Logan Township, New Jersey 08085

**ROSTER OF OFFICIALS**

**June 30, 2015**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

Francis E. Donnelly, Preseident	2015
Carolyn W. Kegler, Vice President	2015
Kelly Lombardo	2015
John Russell	2016
LynNae Hill	2016
Kelley Mason	2016
Brian Bowen	2017
Nathan DeForest	2017
Shawn Donnelly	2017

**OTHER OFFICIALS**

Patricia L. Haney, Superintendent

Janine M. Wechter, Business Administrator

Lisa Toff, Board Secretary

Robert L. Best, Treasurer

Alan R. Schmoll, Esq., Solicitor

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LOGAN TOWNSHIP, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Rodney R. Haines, CPA, PSA  
Holman Frenia Allison, P.C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

Alan R. Schmoll, Esq  
Capehart & Scatchard  
9000 Midlantic Drive, Suite 300  
P.O. Box 5054  
Mount Laurel, New Jersey 08054-1539

**FISCAL AGENT**

US Bank  
Corporate Trust Services  
EP-MN-WS3W  
60 Livingston Avenue  
St. Paul, Minnesota 55107

**OFFICIAL DEPOSITORY**

Fulton Bank of NJ  
22 Village Center Drive  
Swedesboro, New Jersey 0805

**FINANCIAL ADVISOR**

Capital Financial Advisors, Inc.  
Robbi Acampora  
8000 Midlantic Drive, Suite 110S  
Mt. Laurel, New Jersey 08054

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township Board of Education, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Logan Township Board of Education,, County of Gloucester, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplemental information 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 Logan Township Board of Education'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 New Jersey OMB's Circular(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, 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 the 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 other records

used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015 on our consideration of the Logan Township Board of Education'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 Logan Township Board of Education's internal control over financial reporting and compliance

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Certified Public Accountant  
Public School Accountant  
No. 2198

Medford, New Jersey  
November 25, 2015

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Fiscal Year ended June 30, 2015**

**UNAUDITED**

The discussion and analysis of Logan Township Board of Education annual financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

As described in Note 1 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2015 in the amount of \$(2,523,941), as indicated in Note 19 to the financial statements. Prior year balances reflected in MD&A have not been updated to reflect this change.

**Financial Highlights**

Key financial highlights for the 2014-2015 fiscal year include the following:

- ◆ General revenues accounted for \$18,099,772 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for \$3,412,208 of total revenues of \$21,511,980.
- ◆ Total net position of governmental activities was \$9,116,046. Net Assets increase by \$784,657 from July 1, 2014 to June 30, 2015.
- ◆ The General Fund fund balance at June 30, 2015 is \$3,209,888, a decrease of \$296,033 when compared with the beginning balance at July 1, 2014 of \$3,505,921.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Logan Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

The *statement of net position* presents information on all of the assets and liabilities of the District, 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 District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District 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 (e.g. earned but unused sick leave).

**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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- **Proprietary funds.** The District maintains one proprietary fund type. The *food service fund* has historically operated as an *enterprise fund* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the district as a whole.
- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

The District uses an agency fund to account for resources held for student activities and groups.

**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.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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

**Table 1**  
**Net Position**

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other assets	4,046,013	115,825	4,161,838	4,052,198	119,851	4,172,049
Capital assets	10,543,244	12,291	10,555,535	10,234,529	17,311	10,251,840
<b>Total Assets</b>	<b>14,589,257</b>	<b>128,116</b>	<b>14,717,373</b>	<b>14,286,727</b>	<b>137,162</b>	<b>14,423,889</b>
<b>Deferred Outflows of Resources</b>						
Deferred Outflows Related to Pensions	227,817		227,817			
<b>Total Deferred Outflows of Resources</b>	<b>227,817</b>		<b>227,817</b>			
<b>Total Assets and Deferred Outflows of Resources</b>	<b>14,817,074</b>	<b>128,116</b>	<b>14,945,190</b>	<b>14,286,727</b>	<b>137,162</b>	<b>14,423,889</b>
<b>Liabilities</b>						
Current and other liabilities	567,456	24,678	592,134	298,777	29,726	328,503
Long-term liabilities	4,984,778		4,984,778	3,132,620		3,132,620
<b>Total liabilities</b>	<b>5,552,234</b>	<b>24,678</b>	<b>5,576,912</b>	<b>3,431,397</b>	<b>29,726</b>	<b>3,461,123</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflows Related to Pensions	148,794		148,794			
<b>Total Deferred Inflows of Resources</b>	<b>148,794</b>		<b>148,794</b>			
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,701,028</b>	<b>24,678</b>	<b>5,725,706</b>	<b>3,431,397</b>	<b>29,726</b>	<b>3,461,123</b>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	8,300,838	12,291	8,313,129	7,359,389	17,311	7,376,700
Debt Service	(38,975)		(38,975)	(48,415)		(48,415)
Capital projects	439,681		439,681	299,545		299,545
Other purposes	3,316,185		3,316,185	3,504,100		3,504,100
Unrestricted	(2,901,683)	91,147	(2,810,536)	(259,289)	90,125	(169,164)
<b>Total Net Position</b>	<b>9,116,046</b>	<b>103,438</b>	<b>9,219,484</b>	<b>10,855,330</b>	<b>107,436</b>	<b>10,962,766</b>

Table 2 shows the changes in net position for fiscal year 2015.

**Table 2**  
**Changes in Net Position**

	2015			2014		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services:		\$ 191,758	\$ 191,758		\$ 185,429	\$ 185,429
Operating grants & contributions	\$ 3,104,705	115,745	3,220,450	\$ 422,307	120,374	120,374
General Revenues:						
Property Taxes	11,980,410		11,980,410	12,217,340		12,217,340
Grants & Entitlements	5,951,182		5,951,182	6,918,957		6,918,957
Miscellaneous	168,180		168,180	285,885		285,885
Total revenues	<u>21,204,477</u>	<u>307,503</u>	<u>21,511,980</u>	<u>19,844,489</u>	<u>305,803</u>	<u>20,150,292</u>
<b>Expenses:</b>						
Program Expenses:						
Instruction	6,390,654		6,390,654	6,264,540		6,264,540
Tuition	3,838,861		3,838,861	4,011,053		4,011,053
Student & Instruction Related Svs	1,524,815		1,524,815	1,480,940		1,480,940
School Administration	314,592		314,592	319,580		319,580
General & Business Services	575,297		575,297	575,252		575,252
Plant Operations & Maintenance	1,466,792		1,466,792	1,431,213		1,431,213
Transportation	1,024,612		1,024,612	918,076		918,076
Unallocated Benefit Expenses	4,602,430		4,602,430	3,010,602		3,010,602
Interest on long-term liabilities	85,896		85,896	108,861		108,861
Unallocated Depreciation	595,871		595,871	619,354		619,354
Food Service		311,501	-		307,066	-
Total expenses	<u>20,419,820</u>	<u>311,501</u>	<u>20,731,321</u>	<u>18,739,471</u>	<u>307,066</u>	<u>19,046,537</u>
<b>Increase (Decrease) in net position</b>	<u>\$ 784,657</u>	<u>\$ (3,998)</u>	<u>\$ 780,659</u>	<u>\$ 1,105,018</u>	<u>\$ (1,263)</u>	<u>\$ 1,103,755</u>

### Governmental Activities

Property taxes decreased by \$236,930, which consisted of a 2% increase in the General Fund tax levy in the amount of 226,745 and a decrease in the Debt Service portion of the tax levy in the amount of 463,675 due to the fact that the 2002 school bonds were paid off. The District has been able to maintain current programs, and have also been able maintain our funding levels for technology upgrades, building and grounds maintenance as well as funding for the implementation of many state mandates over the past few years including preparation for PARCC testing. The District was able to add a new MD teacher (class) at Logan Elementary School and a new math teacher in the Middle School. In addition, a part time guidance counselor was increased to full time. Finally, the District was also able to secure ROD grant funding which will pay for 40% of three projects at the Elementary/Middle School; Boiler Replacement, Gym HVAC, and Exterior Doors. The local share of these projects was funded through the Capital Outlay budget. In addition, projects such as a security camera replacement/upgrade and new curricular resources were added.

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grants. Table 3 shows, for government activities, the total cost and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3  
Government Activities**

	2015		2014	
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
Instruction	\$ 6,390,654	\$ 6,044,319	\$ 6,264,540	\$ 5,892,690
Tuition	3,838,861	3,838,861	4,011,053	4,011,053
Student & Instruction Related Svcs	1,524,815	1,488,979	1,480,940	1,430,483
School Administration	314,592	314,592	319,580	319,580
General Admin. & Business Svcs	575,297	575,297	575,252	575,252
Plant Operations & Maintenance	1,466,792	1,466,792	1,431,213	1,431,213
Pupil Transportation	1,024,612	1,024,612	918,076	918,076
Unallocated Benefit Expenses	4,602,430	1,879,896	3,010,602	3,010,602
Interest on long-term liabilities	85,896	85,896	108,861	108,861
Unallocated Depreciation	595,871	595,871	619,354	619,354
<b>Total Expenses</b>	<b>\$ 20,419,820</b>	<b>\$ 17,315,115</b>	<b>\$ 18,739,471</b>	<b>\$ 18,317,164</b>

From Schedule A-2

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

Tuition expenses include the cost of sending the District's students in grades 9 – 12 to Kingsway Regional High School, and all special education out of district placements.

Student & Instruction Related Services expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business services include expenses associated with the administrative and financial supervision of the District.

Plant Operations and Maintenance expenses involve keeping the school grounds, buildings, and equipment in effective working condition and maintaining the safety of all students and staff while on campus.

Pupil Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State Law.

Unallocated benefit expenses include the costs of providing health and welfare insurance programs for the school district staff as well as other fringe benefits.

Interest on long-term liabilities involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Unallocated depreciation is the depreciation expense of the District fixed assets.

## The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,816,880 and expenditures of \$19,972,778. The net change in fund balance was most significant in the general fund due to the decrease of revenue over the prior year by \$27,609, while expenditures increased \$161,655.

## General Fund Budgeting Highlights

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

During the course of fiscal 2015 the School District amended its General Fund budget numerous times. Generally these amendments are a reallocation of resources to facilitate changes in spending priorities in the district. The district uses a school-based budgeting system designed to tightly control the total school budget but provide the flexibility for location management.

## Capital Assets and Debt Administration

### *Capital Assets*

At the end of fiscal 2015, the District had \$10,555,535 invested in land, buildings, and equipment; \$10,543,244 in governmental activities. Please refer to Note 6 in the Notes to the Financial Statements for additional detail.

**Table 4**  
**Capital Assets at June 30, 2015**

	2015			2014		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Land	115,872		115,872	115,872		115,872
Site Improvements	681,281		681,281	682,249		682,249
Construction in Progress	506,669		506,669	77,758		77,758
Buildings and building improvement	19,814,515		19,814,515	19,338,420		19,338,420
Machinery and Equipment	1,877,793	166,999	2,044,792	1,745,556	166,999	1,912,555
Accumulated Depreciation	(12,452,886)	(154,708)	(12,607,594)	(11,725,326)	(149,688)	(11,875,014)
Total	10,543,244	12,291	10,555,535	10,234,529	17,311	10,251,840

### *Debt*

At June 30, 2015, the District had \$4,984,778 in debt outstanding; \$585,892 due within one year. Table 5 summarizes debt outstanding. Please refer to Note 7 in the Notes to the Financial Statements for additional detail.

**Table 5  
Outstanding Debt at June 30, 2015**

	2015			2014		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Refunding bond issue 2005	2,160,000		2,160,000	2,675,000		2,675,000
Capital Leases	82,406		82,406	200,140		200,140
Net Pension Liability	2,496,772		2,496,772	2,523,941		2,523,941
Compensated Absences	245,600		245,600	257,480		257,480
<b>Total</b>	<b>4,984,778</b>	<b>-</b>	<b>4,984,778</b>	<b>5,656,561</b>	<b>-</b>	<b>5,656,561</b>

On April 15, 2002, the District issued \$7,630,000.00 general obligation bonds at 3.00 – 5.00 percent variable rates to refund the 1992 School Bonds. The final maturity of these bonds was July 15, 2014. The District realized a savings of approximately \$901,000 over the life of this refunding.

On April 20, 2005, the District issued \$4,840,000.00 general obligation bonds at 3.00-4.00 percent variable rates to refund the final 10 years on the 1999 School Bonds. The final maturity of these bonds is July 15, 2018. The District will realize a savings of approximately \$145,000.00 over the life of this refunding.

At June 30, 2015, the District’s overall legal debt margin was \$32,553,892. The District maintains an AAA bond rating.

**Current Financial Issues and Concerns**

- The Logan Township School District is financially stable at the present time. The District is proud of its community support of the public schools. The NJ Department of Education released Accountability Regulations in January 2009. These regulations established additional regulatory authority over district budgets by the Executive County Superintendent, established rules and regulations regarding district travel expenses, administrator compensation, budget preparation, excessive spending, district consolidation, etc.
- In early 2010, Governor Christie declared a Fiscal Crisis in the State of New Jersey, curtailing spending statewide. Shortly after that, the District saw an unprecedented reduction in current state aid funding. Logan Township School District was forced to reduce its budget for the fiscal year 2010 by over \$1 million, which was accomplished by reducing staff positions or work hours and benefits for seventeen staff members. Besides making these reductions in staffing and staffing hours, the district was able to achieve additional savings in tuition and transportation in fiscal year 2011 to help offset these cuts. In fiscal year 2013, the District received an increase in state aid, and was therefore able to return some programs and staff to previous levels. The District was also able to make deposits into capital and maintenance reserves, as well as achieve a slight tax decrease for our taxpayers. In fiscal year 2014, the district received a slight decrease in state aid, but managed to keep the tax increase below the 2% cap by only increasing taxes by 1.47%. In spite of this, the district was still able to deposit \$331,000 into our Capital and Maintenance Reserves and fund \$165,000 in technology initiatives. There was no reduction in staff in 2014. Rather, the district was able to hire a Supervisor of Curriculum to assist in developing curriculum and completing teacher observations. During the 2014-2015 fiscal year, despite relatively flat state aid levels we were still able to increase staff by adding a teacher for the Multiple Disabled Self-contained students; a middle school math teacher and increase the Middle School Counselor to a full time status. In this budget, the District was also able to continue its commitment to embed technology into instruction, to have Principals continue to be the Instructional Leaders of small school communities, to continue to

provide small class sizes and small group instruction as well as continued commitment to professional learning. The District increased the General Fund tax levy by 2%; however, the overall tax rate decreased due to a significant reduction in the Debt Service Fund tax levy. The District paid off the 2002 refunding bond issue which is the reason for the decrease in the debt service tax levy. As always, a priority in the 14-15 budget was to invest in upgrading and maintaining our buildings and our technology.

- A three-year labor agreement for teachers, aides, and custodians was unanimously approved by the District Board of Education and by the Logan Teacher Education Association (LTEA) on February 26<sup>th</sup>, 2014. The settlement with a 2.5% increase for each of the next three years is considered a reasonable settlement.
- The District routinely monitors the rules and regulations of the ESEA federal legislation to assess and ensure financial compliance.
- It is important that the District continues to be able to complete capital improvement projects. It is one of the Board of Education's goals and a budget priority to continue to upgrade and maintain the physical plants of the district. The Board, through the budget process, has deposited funds into its capital and maintenance reserves in previous years. The District was successful in their application for four R.O.D. (Regular Operating District) Grants which, included replacing Logan School's cooling tower (completed in the Fall 2014), the addition of an HVAC cooling system to the gymnasium at the Logan Schools building (completion in Summer 2015), replacing the boiler (completion in Fall 2015) and replacing exterior doors at the Logan Schools building (due to be completed this month).
- The District expects limited growth in enrollment over the next few years. The current schools' capacity is sufficient to accommodate this growth. There is a small tract of property, which has added approximately 78 new homes to the community (Hidden Creek) over the past few years. There were plans proposed to the township for the development of large parcels of farmland in the Repaupo area of the township. However, the current economic recession, which began in 2008 and still grips the nation, appears to have halted any further planning for this project. It may be years before the economy rebounds sufficiently for this proposal to become economically viable. Nevertheless, it still must be noted that this proposal has the potential to develop into a significant impact upon the district.

In conclusion, the Logan Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

### **Requests for Information**

This financial report is designed to provide a general overview of the Logan Township School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Logan Township School District, 110 School Lane, Logan Township, NJ 08085. Please visit our website at [www.logan.k12.nj.us](http://www.logan.k12.nj.us).

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	<u>TOTALS</u> JUNE 30, 2015
Cash & Cash Equivalents	\$ 2,874,261	\$ 94,310	\$ 2,968,571
Receivables, Net	491,754	19,390	511,144
Inventory	-	2,125	2,125
Restricted Assets:			
Capital Reserve Account - Cash	679,998	-	679,998
Capital Assets, Non-Depreciable (Note 6)	622,541	-	622,541
Capital Assets, Depreciable, Net (Note 6)	9,920,703	12,291	9,932,994
<b>Total Assets</b>	<b>14,589,257</b>	<b>128,116</b>	<b>14,717,373</b>
<b>DEFERED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	227,817	-	227,817
<b>Total Deferred Outflows of Resources</b>	<b>227,817</b>	<b>-</b>	<b>227,817</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>14,817,074</b>	<b>128,116</b>	<b>14,945,190</b>
<b>LIABILITIES</b>			
Accounts Payable	386,373	19,451	405,824
Accrued Interest on Debt	38,976	-	38,976
Prepaid Lunches	-	5,227	5,227
Unearned Revenue	13,700	-	13,700
PERS Pension Payable	128,407	-	128,407
Noncurrent Liabilities (Note 7):			
Due Within One Year	585,892	-	585,892
Due Beyond One Year	4,398,886	-	4,398,886
<b>Total Liabilities</b>	<b>5,552,234</b>	<b>24,678</b>	<b>5,576,912</b>
<b>DEFERED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	148,794	-	148,794
<b>Total Deferred Inflows of Resources</b>	<b>148,794</b>	<b>-</b>	<b>148,794</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,701,028</b>	<b>24,678</b>	<b>5,725,706</b>
<b>NET POSITION</b>			
Net Investments in Capital Assets	8,300,838	12,291	8,313,129
Restricted For:			
Debt Service	(38,975)	-	(38,975)
Capital Projects	439,681	-	439,681
Other Purposes	3,316,185	-	3,316,185
Unrestricted	(2,901,683)	91,147	(2,810,536)
<b>Total Net Position</b>	<b>\$ 9,116,046</b>	<b>\$ 103,438</b>	<b>\$ 9,219,484</b>

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015	
Governmental Activities:							
Instruction:							
Regular	\$ 5,303,490	\$ -	\$ 346,335	\$ (4,957,155)	\$ -	\$ -	(4,957,155)
Special Education	774,977	-	-	(774,977)	-	-	(774,977)
Basic Skill/Remedial Instruction	246,716	-	-	(246,716)	-	-	(246,716)
Other Instruction	65,471	-	-	(65,471)	-	-	(65,471)
Support Services & Undistributed Costs:							
Tuition	3,838,861	-	-	(3,838,861)	-	-	(3,838,861)
Student & Instruction Related Services	1,524,815	-	35,836	(1,488,979)	-	-	(1,488,979)
School Administrative Services	314,592	-	-	(314,592)	-	-	(314,592)
General & Business Administrative Services	575,297	-	-	(575,297)	-	-	(575,297)
Plant Operations & Maintenance	1,466,792	-	-	(1,466,792)	-	-	(1,466,792)
Pupil Transportation	1,024,612	-	-	(1,024,612)	-	-	(1,024,612)
Unallocated Benefits	4,602,430	-	2,722,534	(1,879,896)	-	-	(1,879,896)
Interest and Charges on Long-Term Debt	85,896	-	-	(85,896)	-	-	(85,896)
Unallocated Depreciation	595,871	-	-	(595,871)	-	-	(595,871)
Total Governmental Activities	20,419,820	-	3,104,705	(17,315,115)	-	-	(17,315,115)

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Business-Type Activities:						
Food Service	311,501	191,758	115,745	-	(3,998)	(3,998)
Total Business - Type Activities	311,501	191,758	115,745	-	(3,998)	(3,998)
Total Primary Government	20,731,321	191,758	3,220,450	(17,315,115)	(3,998)	(17,319,113)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				11,563,999	-	11,563,999
Taxes Levied for Debt Service				416,411	-	416,411
Federal & State Aid Not Restricted				5,627,066	-	5,627,066
SDA Grant Revenue				324,116	-	324,116
Tuition Received				191,492	-	191,492
Miscellaneous Income				30,922	-	30,922
Capital Asset Adjustment				(54,234)	-	(54,234)
Total General Revenues & Transfers				18,099,772	-	18,099,772
Change In Net Position				784,657	(3,998)	780,659
Net Position - Beginning. As restated, See Note 19				8,331,389	107,436	8,438,825
Net Position - Ending				\$ 9,116,046	\$ 103,438	\$ 9,219,484

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

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## B. Fund Financial Statements

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## Governmental Funds

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	<u>TOTALS</u> JUNE 30, 2015
<b>Assets:</b>					
Cash & Cash Equivalents	\$ 2,686,557	\$ -	\$ 233,094	\$ 1	\$ 2,919,652
Receivables, Net	79,643	56,892	355,219	-	491,754
Restricted Cash & Cash Equivalents	679,998	-	-	-	679,998
<b>Total Assets</b>	<b>\$ 3,446,198</b>	<b>\$ 56,892</b>	<b>\$ 588,313</b>	<b>\$ 1</b>	<b>\$ 4,091,404</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 45,391	\$ -	\$ -	\$ 45,391
Accounts Payable	222,610	15,131	148,632	-	386,373
Unearned Revenue	13,700	-	-	-	13,700
<b>Total Liabilities</b>	<b>236,310</b>	<b>60,522</b>	<b>148,632</b>	<b>-</b>	<b>445,464</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	291,054	-	-	-	291,054
Maintenance Reserve	399,983	-	-	-	399,983
Excess Surplus	1,306,435	-	-	-	1,306,435
Excess Surplus Designated for Subsequent Year's Expenditures	1,318,713	-	-	-	1,318,713
Capital Projects Fund	-	-	439,681	-	439,681
Debt Service Fund	-	-	-	1	1
<b>Committed to:</b>					
Other Purposes	-	-	-	-	-
<b>Unassigned Fund Balance:</b>					
General Fund	(106,297)	-	-	-	(106,297)
Special Revenue Fund	-	(3,630)	-	-	(3,630)
<b>Total Fund Balances</b>	<b>3,209,888</b>	<b>(3,630)</b>	<b>439,681</b>	<b>1</b>	<b>3,645,940</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 3,446,198</b>	<b>\$ 56,892</b>	<b>\$ 588,313</b>	<b>\$ 1</b>	

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 \$22,996,130 and the accumulated depreciation is \$12,452,886.	10,543,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,984,778)
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	79,023
Accrued interest payable and PERS pension payable are not recorded in the fund Financial Statements due to the fact that the payables are not due in the period.	(167,383)
<b>Net position of Governmental Activities</b>	<b>\$ 9,116,046</b>

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2015
Revenues:					
Local Sources:					
Local Tax Levy	\$ 11,563,999	\$ -	\$ -	\$ 416,411	\$ 11,980,410
Tuition Charges	191,492	-	-	-	191,492
Miscellaneous	30,922	18,315	-	-	49,237
Total Local Sources	11,786,413	18,315	-	416,411	12,221,139
State Sources	6,713,844	36,300	324,116	193,925	7,268,185
Federal Sources	-	327,556	-	-	327,556
Total Revenues	18,500,257	382,171	324,116	610,336	19,816,880
Expenditures:					
Current:					
Regular Instruction	4,957,155	346,335	-	-	5,303,490
Special Education Instruction	774,977	-	-	-	774,977
Basic Skills/Remedial - Instruction	246,716	-	-	-	246,716
Other Instruction	65,471	-	-	-	65,471
Support Services & Undistributed Costs:					
Tuition	3,838,861	-	-	-	3,838,861
Student & Instruction Related Services	1,606,713	35,836	-	-	1,642,549
School Administrative Services	314,592	-	-	-	314,592
General & Business Administrative Services	575,297	-	-	-	575,297
Plant Operations & Maintenance	1,466,792	-	-	-	1,466,792
Pupil Transportation	1,024,612	-	-	-	1,024,612
Unallocated Benefits	3,150,264	-	-	-	3,150,264
Capital Outlay	148,530	-	810,290	-	958,820
Debt Service:					
Principal	-	-	-	515,000	515,000
Interest & Other Charges	-	-	-	95,337	95,337
Total Expenditures	18,169,980	382,171	810,290	610,337	19,972,778
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	330,277	-	(486,174)	(1)	(155,898)
Other Financing Sources/(Uses):					
Operating Transfer In	-	-	626,310	-	626,310
Operating Transfer Out	(626,310)	-	-	-	(626,310)
Total Other Financing Sources & Uses	(626,310)	-	626,310	-	-
Net Change in Fund Balances	(296,033)	-	140,136	(1)	(155,898)
Fund Balance - July 1	3,505,921	(3,630)	299,545	2	3,801,838
Fund Balance - June 30	\$ 3,209,888	\$ (3,630)	\$ 439,681	\$ 1	\$ 3,645,940

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (155,898)

Amounts reported for governmental activities in the statement of activities (A-2) are different as follows:

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. The amount that exceeded capital outlays is as follows:

Depreciation Expense	\$ (595,871)	
Capital Asset Adjustment	(54,234)	
Capital Outlays	958,820	308,715

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

PERS District Pension Contribution - 2015	109,936	
Unfunded TPAF Pension Expense	(1,441,831)	
State Share of Unfunded TPAF Pension Expense	1,441,831	
Pension Expense	(132,151)	(22,215)

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statements of Net Position and is not reported in the Statement of Activities.

Serial Bonds	515,000	
Capital Lease Payments	117,734	632,734

Interest on long-term debt in the statement of activities is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

Prior Year	48,417	
Current Year	(38,976)	9,441

In the statement of activities, certain operating expenses, e.g., compensated absence (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Prior Year	257,480	
Current Year	(245,600)	11,880

Change in Net Position of Governmental Activities \$ 784,657

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

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## Proprietary Funds

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>	<u>TOTALS</u> JUNE 30, 2015
Current Assets:		
Cash & Cash Equivalents	\$ 94,310	\$ 94,310
Accounts Receivable	19,390	19,390
Inventories	2,125	2,125
Total Current Assets	<u>115,825</u>	<u>115,825</u>
Noncurrent Assets:		
Furniture, Machinery & Equipment	166,999	166,999
Less: Accumulated Depreciation	(154,708)	(154,708)
Total Noncurrent Assets	<u>12,291</u>	<u>12,291</u>
Total Assets	<u>128,116</u>	<u>128,116</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	19,451	19,451
Prepaid Lunches	5,227	5,227
Total Liabilities	<u>24,678</u>	<u>24,678</u>
NET POSITION		
Net Investments in Capital Assets	12,291	12,291
Unrestricted	91,147	91,147
Total Net Position	<u>\$ 103,438</u>	<u>\$ 103,438</u>

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	JUNE 30, 2015
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 139,419	\$ 139,419
Daily Sales - Nonreimbursable Programs	52,339	52,339
Total Operating Revenues	191,758	191,758
Operating Expenses:		
Salaries & Benefits	129,053	129,053
Supplies & Materials	29,497	29,497
Cost of Sales	126,545	126,545
Depreciation	5,020	5,020
Miscellaneous	21,386	21,386
Total Operating Expenses	311,501	311,501
Operating Income/(loss)	(119,743)	(119,743)
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	3,345	3,345
Federal Sources:		
National School Lunch Program	81,044	81,044
National School Breakfast Program	10,051	10,051
Food Distribution Program	21,126	21,126
Interest & Investment Revenue	179	179
Total Nonoperating Revenues/(Expenses)	115,745	115,745
Income/(Loss) Before Contributions & Transfers	(3,998)	(3,998)
Change in Net Position	(3,998)	(3,998)
Total Net Position - Beginning	107,436	107,436
Total Net Position - Ending	\$ 103,438	\$ 103,438

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
AS OF JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	TOTALS
	FOOD SERVICE	JUNE 30, 2015
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 183,318	\$ 183,318
Payments to Employees	(129,053)	(129,053)
Payments to Suppliers	(156,302)	(156,302)
Net Cash Provided/(Used) by Operating Activities	<u>(102,037)</u>	<u>(102,037)</u>
Cash Flows From Noncapital Financing Activities:		
State & Federal Sources	94,440	94,440
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>94,440</u>	<u>94,440</u>
Cash Flows From Investing Activities:		
Net Cash Provided/(Used) by Investing Activities	179	179
Net Cash Provided/(Used) by Investing Activities	<u>179</u>	<u>179</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(7,418)	(7,418)
Balances - Beginning of Year	101,728	101,728
Balances - End of Year	<u>\$ 94,310</u>	<u>\$ 94,310</u>

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

Operating Income/(Loss)	\$ (119,743)	\$ (119,743)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation & Net Amortization	5,020	5,020
Food Distribution Program	21,126	21,126
Changes in Assets & Liabilities:		
(Increase)/Decrease in Accounts Receivable	(10,043)	(10,043)
(Increase)/Decrease in Inventories	6,651	6,651
Increase/(Decrease) in Current Liabilities	(5,048)	(5,048)
Total Adjustments	<u>17,706</u>	<u>17,706</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (102,037)</u>	<u>\$ (102,037)</u>

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

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## Fiduciary Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST FUND	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	JUNE 30, 2015
ASSETS					
Cash & Cash Equivalents	\$ 36,780	\$ 6,626	\$ 32,927	\$ 247,427	\$ 323,760
Total Assets	36,780	6,626	32,927	247,427	323,760
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	245,477	245,477
Due to Student Groups	-	-	32,927	-	32,927
Flexible Spending	-	-	-	1,950	1,950
Total Liabilities	-	-	32,927	247,427	280,354
NET POSITION					
Held in Trust for Unemployment Claims Other Purposes	36,780	-	-	-	36,780
Reserved for Scholarships	-	6,626	-	-	6,626
Total Net Position	\$ 36,780	\$ 6,626	\$ -	\$ -	\$ 43,406

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

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	JUNE 30, 2015
Local Sources:			
Transfer from Payroll Agency Account	\$ -	\$ 13,265	\$ 13,265
Investment Earnings:			
Interest	8	4	12
Total Additions	8	13,269	13,277
DEDUCTIONS			
Quarterly Contributions Reports	-	862	862
Scholarships Awarded	350	-	350
Total Deductions	350	862	1,212
Change in Net Position	(342)	12,407	12,065
Net Position - Beginning of the Year	6,968	24,373	31,341
Net Position - End of the Year	\$ 6,626	\$ 36,780	\$ 43,406

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

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Logan Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

### Reporting Entity

The Logan Township Board of Education is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The Logan Township Board of Education has an approximate enrollment at June 30, 2015 of 843 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

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

### Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies (continued):

#### **Government-Wide Financial Statements**

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

#### **Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies (continued):

#### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

#### **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

#### **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. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current \ fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

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. The principal operating revenues of the Food Service Fund, School Store Fund, Little Pioneers Fund and Summer Camps Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District maintains a Transportation Consortium in the Internal Service Funds.

The District reports the following major governmental funds:

**General Fund** - The general fund is the general operating fund of the District and 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 noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that 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. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following major proprietary fund:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **Note 1. Summary of Significant Accounting Policies (continued):**

only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

### **Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. 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 grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules 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 Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Encumbrances**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances 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 special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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 and Cash Equivalents**

Cash and Cash equivalents 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. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

Additionally, the District 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 loss of funds on deposit with a failed banking institution in New Jersey.

*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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the Governmental Units.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Inventories**

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**Short-Term Interfund Receivables/Payables**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Site Improvements	20 Years
Building & Improvements	20-50 Years
Machinery and Equipment	5-20 Years

**Compensated Absences**

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

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

# LOGAN TOWNSHIP BOARD OF EDUCATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Note 1. Summary of Significant Accounting Policies (continued):

#### 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 measureable and the District is eligible to realize the revenue.

#### 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, government 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.

#### 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 assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2015.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

#### Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in 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 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

#### Impact of Recently Issued Accounting Principles

##### Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Bond Premiums, Discounts and Issuance Costs**

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

**Deferred Loss on Refunding Debt**

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**Subsequent Events**

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 9, 2015, which is the date the financial statements were available to be issued.

**Pensions Section**

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 2. Cash and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District’s bank balance of \$3,389,754 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 484,825
Collateralized by securities held by Pledging financial institution	2,822,056
Uninsured & Uncollateralized	<u>332,875</u>
Total	<u>\$3,389,754</u>

**Investments**

New Jersey statutes permit the Board to purchase the following types of securities:

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 2. Cash Deposits and Investments (continued):**

Concentrations - The District places no limit in the amount the District may invest in any one issuer

As of June 30, 2015, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
New Jersey Cash Management Fund	various	N/A	<u>\$679,998</u>
Total			<u>\$679,998</u>

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the Logan Township Board of Education by inclusion of \$150,000 in the original 1995-96 annual capital budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2014	\$	290,868
Interest Earnings		186
Board Approved Transfer		<u>-</u>
Ending Balance, June 30, 2015	\$	<u><u>291,054</u></u>

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 3. Reserve Accounts (continued):**

**B. Maintenance Reserve**

The District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Maintenance Plan (M-1). A district may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

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

Beginning Balance, July 1, 2014	\$ 416,142
Interest Earnings	253
Withdrawals, net	<u>(16,412)</u>
Ending Balance, June 30, 2015	<u><u>\$ 399,983</u></u>

**C. Tuition Reserve**

A tuition reserve account may be established in accordance with *N.J.A.C.6A:23-3.1(f)* for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief.

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

Beginning Balance, July 1, 2014	\$ 319,251
Interest Earnings	87
Board Approved Transfer	<u>(319,338)</u>
Ending Balance, June 30, 2015	<u><u>\$ -</u></u>

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2015 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 79,643	\$ 56,892	\$ 355,219	\$ 19,390	\$ 511,144
Total	<u>\$ 79,643</u>	<u>\$ 56,892</u>	<u>\$ 355,219</u>	<u>\$ 19,390</u>	<u>\$ 511,144</u>

**Note 5. Transfers from Capital Outlay**

During the year ending June 30, 2015, the District transferred \$554,960 out of the capital outlay account.

**Note 6. Capital Assets**

The following schedule is a summarization of the capital assets by source for the fiscal year ended June 30, 2015:

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>June 30, 2015</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 115,872	\$ -	\$ -	\$ -	\$ 115,872
Construction in Progress	77,758	506,669	-	(77,758)	506,669
Total Non-Depreciable Assets	<u>193,630</u>	<u>506,669</u>	<u>-</u>	<u>(77,758)</u>	<u>622,541</u>
<u>Depreciable Assets</u>					
Land Improvements	682,249	8,437	-	(9,405)	681,281
Buildings	19,338,420	349,397	-	126,698	19,814,515
Machinery & Equipment	1,736,426	94,317	-	47,050	1,877,793
Subtotal	<u>21,950,725</u>	<u>958,820</u>	<u>-</u>	<u>86,585</u>	<u>22,996,130</u>
<u>Accumulated Depreciation</u>					
Land Improvements	(567,839)	(14,107)	-	11,944	(570,002)
Buildings	(10,140,864)	(474,023)	-	(2,429)	(10,617,316)
Machinery & Equipment	(1,016,623)	(107,741)	-	(141,204)	(1,265,568)
Total	<u>\$ 10,225,399</u>	<u>\$ 362,949</u>	<u>\$ -</u>	<u>\$ (45,104)</u>	<u>\$ 10,543,244</u>

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 6. Capital Assets (continued):**

The following is a summary of proprietary fund type fixed assets at June 30, 2015:

	June 30, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2015</u>
<u>Depreciable Assets</u>				
Equipment	\$ 166,999	\$ -	\$ -	\$ 166,999
Subtotal	166,999	-	-	166,999
<u>Accumulated Depreciation</u>				
Equipment	(149,688)	(5,020)	-	(154,708)
Total	\$ 17,311	\$ (5,020)	\$ -	\$ 12,291

**Note 7. Long-Term Obligations**

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities reported in the long-term debt:

	June 30, <u>2014</u>	<u>Retired</u>	<u>Additions</u>	June 30, <u>2015</u>	Due Within <u>One Year</u>
General Obligations Bonds	\$ 2,675,000	\$ 515,000	\$ -	\$ 2,160,000	\$ 530,000
Capital Lease	200,140	117,734	-	82,406	55,892
Net Pension Liability	2,523,941	27,169	-	2,496,772	-
Compensated Absences Payable	257,480	11,880	-	245,600	-
Total Long-Term Obligations	\$ 5,656,561	\$ 671,783	\$ -	\$ 4,984,778	\$ 585,892

Bonds and loans payable have been liquidated in the Debt Service Fund compensated absences have been liquidated in the General Fund.

**Bonds Payable**

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 7. Long-Term Obligations (continued):**

Principal and interest due on the 2002 Serial Bonds outstanding is as follows:

	<b>Year-ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>		
2016	\$	530,000	\$	74,438	\$	604,438
2017		545,000		53,619		598,619
2018		540,000		32,600		572,600
2019		545,000		10,900		555,900
Total		\$ 2,160,000		\$ 171,557		\$ 2,331,557

**Capital Lease Payable**

As of June 30, 2015, the District had five capital leases outstanding for the acquisition of equipment in the amount of \$200,140.

The following is a schedule of the future minimum lease payments under this lease and present value of the net minimum lease payments at June 30, 2015:

	<b>Year-ending June 30,</b>	
2016		\$60,923
2017		24,934
2018		3,181
Total Minimum Lease Payments		89,038
Less: Amount Representing Interest		(6,632)
Present Value of Net Minimum Lease Payments		<u>\$ 82,406</u>

**Note 8: Pension Obligations**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th 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.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating

employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

**Three-Year Trend Information for PERS**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2015	\$ 109,936	100%	\$ 2,496,772
6/30/2014	99,505	100%	2,523,941
6/30/2013	98,857	100%	-

**Components of Net Pension Liability** - At June 30, 2015, the District reported a liability of \$2,496,772 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .01334%, which was an increase of .00013% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u> July 1, 2014	<u>6/30/2014</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 227,817	\$ 109,936
Deferred Inflows of Resources	\$ 148,794	\$ -
Net Pension Liability	\$ 2,496,772	\$ 2,523,941
District's portion of the Plan's total net pension Liability	0.01334%	0.01321%

**Pension Expense and Deferred Outflows/Inflows of Resources** - For the year ended June 30, 2015, the District recognized pension expense of \$132,151. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 78,512	\$ -
Net difference between projected and actual earnings on pension plan investments	-	148,794
Changes in proportion and differences between District contributions and proportionate share of contributions	20,898	-
District contributions subsequent to the measurement date	128,407	-
<b>Total</b>	<b>\$ 227,817</b>	<b>\$ 148,794</b>

The \$128,407 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>PERS</u>
2016	\$ (14,322)
2017	(14,322)
2018	(14,322)
2019	(14,322)
2020	(14,322)
Thereafter	22,228

**Actuarial Assumptions** - The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

	<u>PERS</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Long-Term Expected Rate of Return** - 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 Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**A. Public Employees' Retirement System (PERS) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	<u>100%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	1% <u>Decrease</u> <u>(4.39%)</u>	Current <u>Discount</u> <u>Rate (5.39%)</u>	1% <u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	3,141,024	2,496,772	1,955,764

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF)**

**Plan Description** - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for TPAF:

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

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

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.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF Pension & Post Retirement Medical Contributions  
(Paid on behalf of the District)**

<b>Year Funded</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2015	\$ 852,080	100%	-
6/30/2014	687,699	100%	-
6/30/2013	819,503	100%	-

**Teachers Pensions and Annuity Fund (TPAF)** - 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 additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 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.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Long-Term Expected Rate of Return** - 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 Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	100%	

**Discount rate** - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 8: Pension Obligations (continued)**

**C. Defined Contribution Retirement Program (DCRP)**

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2015, employee contributions totaled \$14,229, and the District recognized pension expense of \$10,478, which included \$1,914 towards life insurance.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

**Note 9. Post-Retirement Benefits**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 103,432 retirees receiving post-retirement 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 benefits 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired 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.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 10. Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund their New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions and reimbursements to the State for benefits paid and the ending balance of the School District’s expendable trust fund for the current and previous two years:

<b>Fiscal Year</b>	<b>District Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2014-2015	\$ 4	\$13,265	\$ 862	\$36,780
2013-2014	3	10,602	4,896	24,373
2012-2013	3	13,227	1,461	18,664

**Joint Insurance Fund** – The Township of Logan School District participates in the School Alliance Insurance Fund (SAIF), which was formed in 1996. SAIF is a Joint Insurance Fund organized under New Jersey law and is regulated by the New Jersey Department of Banking and Insurance. The Fund provides its members with the following coverage’s:

- Property – Blanket Building and Grounds
- Boiler and Machinery
- General and Automobile Liability
- Workers’ Compensation
- School Board Legal Liability
- Crime Coverage
- Pollution

**Note 11. Contingent Liabilities**

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 12. Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

**Note 13. Fund Balance Disclosures**

**General Fund (Exhibit B-1)** – Of the \$3,209,888 General Fund balance at June 30, 2015; \$399,983 has been restricted for Maintenance Reserve; \$291,054 has been restricted for Capital Reserve; \$1,318,713 has been restricted as excess surplus and has been appropriated and included as anticipated revenue for year ending June 30, 2015: \$1,306,435 has been restricted for excess surplus and \$(106,297) is unassigned.

**Capital Projects Fund (Exhibit B-1)** – The Fund Balance of the \$439,681 has been restricted for the Capital Projects Fund.

**Debt Service Fund (Exhibit B-1)** – The fund balance of \$1 has been restricted for the Debt Service Fund.

**Note 14. Deferred Compensation**

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

AXA Equitable                      ING Financial Services

**Note 15. Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2015 is \$245,600.

## LOGAN TOWNSHIP BOARD OF EDUCATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

#### **Note 15. Compensated Absences (continued):**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015 no liability existed for compensated absences in the proprietary fund types.

#### **Note 16. Calculation of Excess Surplus**

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$1,305,175.

#### **Note 17. Deficit Fund Balance**

The District has a deficit fund balance of \$(106,297) in the General Fund and \$(3,630) in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment, the General Fund and Special Revenue Fund balance deficits does not alone indicate that the district is facing financial difficulties.

#### **Note 18. Deficit Unrestricted Net Position**

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(2,901,683) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

**LOGAN TOWNSHIP BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 19. Change in Accounting Principle**

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$10,855,330
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(2,523,941)
Deferred Outflows – district contributions made during fiscal year 2014	109,936
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(109,936)</u>
Total prior period adjustment	<u>(2,523,941)</u>
Net Position as restated, July 1, 2014.	<u>\$ 8,331,389</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>					
<b>Local Sources:</b>					
10-1210-000-000	\$ 11,563,999	\$ -	\$ 11,563,999	\$ 11,563,999	\$ -
10-1310-000-000	110,000	-	110,000	69,038	(40,962)
10-1320-000-000	40,000	-	40,000	108,554	68,554
10-1340-000-000	-	-	-	13,900	13,900
10-1000-000-000	125	-	125	186	61
10-1000-000-000	250	-	250	253	3
10-1000-000-000	10,000	-	10,000	30,483	20,483
<b>Total Local Sources</b>	<b>11,724,374</b>	<b>-</b>	<b>11,724,374</b>	<b>11,786,413</b>	<b>62,039</b>
<b>State Sources:</b>					
10-3000-000-000	-	-	-	32,129	32,129
10-3200-000-000	-	-	-	12,956	12,956
10-3116-000-000	42,488	-	42,488	42,488	-
10-3132-000-000	633,953	-	633,953	633,953	-
10-3176-000-000	3,990,950	-	3,990,950	3,990,950	-
10-3177-000-000	101,621	-	101,621	101,621	-
10-3121-000-000	384,544	-	384,544	384,544	-
10-3178-000-000	220,299	-	220,299	220,299	-
10-3178-000-000	10,620	-	10,620	10,620	-
10-3178-000-000	10,620	-	10,620	10,620	-
<b>Nonbudgeted:</b>					
On-Behalf TPAF Pension Contributions	-	-	-	329,307	329,307
On-Behalf TPAF Medical Contributions	-	-	-	522,773	522,773
Reimbursed TPAF Social Contributions	-	-	-	428,623	428,623
<b>Total State Sources</b>	<b>5,395,095</b>	<b>-</b>	<b>5,395,095</b>	<b>6,720,883</b>	<b>1,325,788</b>
<b>Total Revenues</b>	<b>17,119,469</b>	<b>-</b>	<b>17,119,469</b>	<b>18,507,296</b>	<b>1,387,827</b>
<b>Expenditures:</b>					
<b>Current Expense:</b>					
<b>Instruction - Regular Programs:</b>					
<b>Salaries of Teachers:</b>					
11-105-100-101	78,396	(25)	78,371	77,766	605
11-110-100-101	465,045	(30,554)	434,491	407,284	27,207
11-120-100-101	2,007,318	(20,346)	1,986,972	1,969,948	17,024
11-130-100-101	1,721,133	326	1,721,459	1,697,355	24,104

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
<b>Instruction - Regular Programs:</b>					
<b>Home Instruction:</b>					
Salaries of Teachers	11-150-100-101	4,000	(186)	3,814	279
Purchased Professional - Educational Services	11-150-100-320	2,500	3,516	6,016	4,446
Other Purchased Services	11-150-100-500	50	(50)	-	-
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	11-190-100-106	89,377	(4,928)	84,449	84,449
Purchased Professional - Educational Services	11-190-100-320	86,256	25,017	111,273	108,943
Purchased Technical Services	11-190-100-340	55,497	(3,500)	51,997	43,577
Other Purchased Services	11-190-100-500	395,178	(30,635)	364,543	315,965
General Supplies	11-190-100-610	250,022	(20,118)	229,904	159,814
Textbooks	11-190-100-640	108,905	12,600	121,505	79,537
Other Objects	11-190-100-800	10,680	60	10,740	7,792
<b>Total Regular Programs - Instruction</b>		<b>5,274,357</b>	<b>(68,823)</b>	<b>5,205,534</b>	<b>4,957,155</b>
<b>Special Education:</b>					
<b>Learning &amp; Language Disabilities:</b>					
Salaries of Teachers	11-204-100-101	120,910	14,210	135,120	130,247
Other Salaries for Instruction	11-204-100-106	-	-	-	-
Purchased Professional - Educational Services	11-204-100-320	700	80	780	780
General Supplies	11-204-100-610	1,175	4,045	5,220	5,219
<b>Total Learning &amp; Language Disabilities</b>		<b>122,785</b>	<b>18,335</b>	<b>141,120</b>	<b>136,246</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	11-212-100-101	135,915	4,772	140,687	140,687
Other Salaries for Instruction	11-212-100-106	44,417	-	44,417	43,917
Purchased Professional - Educational Services	11-212-100-320	1,200	1,211	2,411	2,411
General Supplies	11-212-100-610	1,175	(30)	1,145	715
<b>Total Multiple Disabilities</b>		<b>182,707</b>	<b>5,953</b>	<b>188,660</b>	<b>187,730</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	11-213-100-101	375,442	(33)	375,409	374,687
Other Salaries for Instruction	11-213-100-106	22,208	-	22,208	22,053
Purchased Professional - Educational Services	11-213-100-320	3,000	-	3,000	2,994
General Supplies	11-213-100-610	3,325	(7)	3,318	2,609
<b>Total Resource Room/Resource Center</b>		<b>403,975</b>	<b>(40)</b>	<b>403,935</b>	<b>402,343</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	11-215-100-101	29,029	-	29,029	29,029
Other Salaries for Instruction	11-215-100-106	15,616	10,512	26,128	16,810
Purchased Professional - Educational Services	11-215-100-320	300	147	447	447
General Supplies	11-215-100-610	700	1,672	2,372	2,372

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Preschool Disabilities - Part-Time	45,645	12,331	57,976	48,658	9,318
Total Special Education	755,112	36,579	791,691	774,977	16,714
Basic Skills/Remedial:					
Salaries of Teachers	230,977	12,524	243,501	238,772	4,729
Purchased Professional - Educational Services	8,140	(3,495)	4,645	2,471	2,174
General Supplies	1,550	1,000	2,550	946	1,604
Textbooks	6,600	-	6,600	4,227	2,373
Total Basic Skills/Remedial	247,267	10,029	257,296	246,416	10,880
Bilingual Education - Instruction:					
General Supplies	300	-	300	300	-
Total Bilingual Education - Instruction	300	-	300	300	-
School Sponsored Cocurricular Activities:					
Salaries	31,488	-	31,488	25,001	6,487
Purchased Services	1,000	-	1,000	785	215
Supplies and Materials	10,600	1,103	11,703	9,489	2,214
Total School Sponsored Cocurricular Activities	43,088	1,103	44,191	35,275	8,916
Other Instructional Programs - Instruction:					
Salaries	4,675	195	4,870	4,870	-
Purchased Services	3,300	400	3,700	3,700	-
Supplies and Materials	2,000	(595)	1,405	-	1,405
Total Other Instructional Programs - Instruction	9,975	-	9,975	8,570	1,405
Before/After School Programs - Instruction:					
Salaries	6,700	1,989	8,689	7,966	723
Supplies and Materials	400	-	400	206	194
Total Before/After School Programs - Instruction	7,100	1,989	9,089	8,172	917
Summer School - Instruction:					
Salaries	19,005	(6,611)	12,394	2,874	9,520
Other Salaries of Instruction	3,632	4,622	8,254	8,254	-
General Supplies	1,000	(1,000)	-	-	-
Total Summer School - Instruction	23,637	(2,989)	20,648	11,128	9,520
Summer School - Support Services:					
Salaries	2,700	-	2,700	2,326	374
Total Summer School - Support Services	2,700	-	2,700	2,326	374
Total Instruction	6,363,536	(22,112)	6,341,424	6,044,319	297,105

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Undistributed Expenditures:</b>					
<b>Instruction:</b>					
Tuition to Other LEA's -State Regular	2,889,570	-	2,889,570	2,889,570	-
Tuition to Other LEA's -State Special	175,164	(12,314)	162,850	132,863	29,987
Tuition to County Vocational Regular	125,280	-	125,280	115,452	9,828
Tuition to County Vocational Special	48,466	-	48,466	40,585	7,881
Tuition to County Special Services & Day Schools	529,799	(51,370)	478,429	264,749	213,680
Tuition to Private Schools for the Handicapped - State	395,714	12,314	408,028	395,642	12,386
Tuition to State Facilities	-	-	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>4,163,993</b>	<b>(51,370)</b>	<b>4,112,623</b>	<b>3,838,861</b>	<b>273,762</b>
<b>Attendance &amp; Social Work Services:</b>					
Salaries of Teachers	22,047	-	22,047	21,577	470
<b>Total Attendance &amp; Social Work Services</b>	<b>22,047</b>	<b>-</b>	<b>22,047</b>	<b>21,577</b>	<b>470</b>
<b>Health Services:</b>					
Salaries	141,919	-	141,919	141,853	66
Purchased Professional & Technical Services	5,600	-	5,600	4,694	906
Other Purchased Services	7,005	1	7,006	6,335	671
Supplies and Materials	5,742	225	5,967	4,726	1,241
Other Objects	3,410	(225)	3,185	987	2,198
<b>Total Health Services</b>	<b>163,676</b>	<b>1</b>	<b>163,677</b>	<b>158,595</b>	<b>5,082</b>
<b>Other Support Services - Students - Related Services:</b>					
Salaries	135,896	579	136,475	136,475	-
Purchased Professional - Educational Services	83,330	(250)	83,080	82,698	382
Supplies and Materials	1,325	46	1,371	1,371	-
<b>Total Other Support Services - Students - Related Services</b>	<b>220,551</b>	<b>375</b>	<b>220,926</b>	<b>220,544</b>	<b>382</b>

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Special Education - Extraordinary Services:						
Salaries	11-000-217-100	167,270	(3,168)	164,102	164,102	-
Purchased Prof.- Edu. Services	11-000-217-320	3,000	-	3,000	2,652	348
Total Other Support Services - Special Education - Extraordinary Services		170,270	(3,168)	167,102	166,754	348
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	129,765	-	129,765	129,765	-
Purchased Prof.- Edu. Services	11-000-218-320	-	-	-	-	-
Other Purchased Professional & Technical Services	11-000-218-390	1,800	-	1,800	659	1,141
Supplies and Materials	11-000-218-600	2,195	3,000	5,195	4,624	571
Total Other Support Services - Students - Regular		133,760	3,000	136,760	135,048	1,712
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	321,850	(1,025)	320,825	315,993	4,832
Salaries of Secretarial & Clerical Assistants	11-000-219-105	41,000	1,025	42,025	42,025	-
Purchased Professional - Technical Services	11-000-219-390	6,780	(5,280)	1,500	1,100	400
Other Purchased Services	11-000-219-500	3,450	520	3,970	3,265	705
Miscellaneous Purchased Services	11-000-219-592	-	-	-	-	-
Supplies and Materials	11-000-219-600	1,500	667	2,167	2,115	52
Total Other Support Services - Students Special Services		374,580	(4,093)	370,487	364,498	5,989
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	233,841	-	233,841	233,822	19
Salaries of Secretarial & Clerical Assistants	11-000-221-105	31,353	5,024	36,377	33,932	2,445

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE/FAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff (continued):</b>						
Purchased Professional - Educational Services	11-000-221-320	7,760	-	7,760	350	7,410
Other Purchased Services	11-000-221-500	1,300	-	1,300	494	806
Supplies and Materials	11-000-221-600	500	-	500	356	144
Other Objects	11-000-221-800	1,518	-	1,518	1,386	132
<b>Total Improvement of Instruction Services/Other Support Services Instructional Staff</b>		<b>276,272</b>	<b>5,024</b>	<b>281,296</b>	<b>270,340</b>	<b>10,956</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	115,471	(325)	115,146	114,326	820
Salaries of Technology Coordinators	11-000-222-177	101,624	325	101,949	101,949	-
Purchased Professional & Technical Services	11-000-222-300	-	-	-	-	-
Other Purchased Services	11-000-222-500	17,800	-	17,800	16,095	1,705
Supplies and Materials	11-000-222-600	21,900	47	21,947	18,540	3,407
<b>Total Educational Media Services/Library</b>		<b>256,795</b>	<b>47</b>	<b>256,842</b>	<b>250,910</b>	<b>5,932</b>
<b>Instructional Staff Training Services:</b>						
Purchased Professional - Educational Services	11-000-223-320	21,000	(1,600)	19,400	-	19,400
Other Purchased Services	11-000-223-500	23,050	1,600	24,650	18,447	6,203
Supplies & Materials	11-000-223-600	500	-	500	-	500
Other Objects	11-000-223-800	-	-	-	-	-
<b>Total Instructional Staff Training Services</b>		<b>44,550</b>	<b>-</b>	<b>44,550</b>	<b>18,447</b>	<b>26,103</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	197,449	3,415	200,864	195,523	5,341
Legal Services	11-000-230-331	21,000	-	21,000	8,398	12,602
Audit Fees	11-000-230-332	22,579	-	22,579	21,900	679
Other Purchased Professional Services	11-000-230-339	12,445	5,004	17,449	4,370	13,079
Purchased Technical Services	11-000-230-340	6,770	-	6,770	2,453	4,317
Communications/Telephone	11-000-230-530	25,738	(76)	25,662	25,481	181
BOE Other Purchased Services	11-000-230-585	7,000	(3,238)	3,762	1,346	2,416
Other Purchased Services	11-000-230-590	28,538	2,918	31,456	30,076	1,380
General Supplies	11-000-230-610	3,650	(174)	3,476	2,728	748

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration (continued):						
BOE In-House Training/Meeting Supplies	11-000-230-630	800	174	974	974	-
Miscellaneous Expenditures	11-000-230-890	2,930	-	2,930	2,736	194
BOE Membership Dues & Fees	11-000-230-895	11,969	(1,001)	10,968	9,399	1,569
<b>Total Support Services General Administration</b>		<b>340,868</b>	<b>7,022</b>	<b>347,890</b>	<b>305,384</b>	<b>42,506</b>
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	186,229	-	186,229	181,239	4,990
Salaries of Secretarial & Clerical Assistants	11-000-240-105	124,349	3,524	127,873	126,944	929
Other Purchased Services	11-000-240-500	5,900	-	5,900	3,066	2,834
Supplies and Materials	11-000-240-600	6,150	(600)	5,550	3,343	2,207
Other Objects	11-000-240-800	-	-	-	-	-
<b>Total Support Services School Administration</b>		<b>322,628</b>	<b>2,924</b>	<b>325,552</b>	<b>314,592</b>	<b>10,960</b>
Central Services:						
Salaries	11-000-251-100	83,768	-	83,768	82,921	847
Purchased Professional Services	11-000-251-330	8,440	-	8,440	8,150	290
Purchased Technical Services	11-000-251-340	64,766	-	64,766	64,043	723
Miscellaneous Purchased Services	11-000-251-592	1,800	172	1,972	1,880	92
Supplies and Materials	11-000-251-600	4,500	(150)	4,350	1,573	2,777
Miscellaneous Expenditures	11-000-251-890	850	(22)	828	150	678
<b>Total Central Services</b>		<b>164,124</b>	<b>-</b>	<b>164,124</b>	<b>158,717</b>	<b>5,407</b>
Administrative Information Technology:						
Salaries	11-000-252-100	67,151	9,326	76,477	73,265	3,212
Purchased Technical Services	11-000-252-340	23,950	7,522	31,472	31,472	-
Other Purchased Services	11-000-252-500	7,355	(705)	6,650	6,459	191
<b>Total Administrative Information Technology</b>		<b>98,456</b>	<b>16,143</b>	<b>114,599</b>	<b>111,196</b>	<b>3,403</b>
Allowable Maintenance for School Facilities:						
Salaries	11-000-261-100	74,289	7,353	81,642	81,597	45
Cleaning, Repair & Maintenance Services	11-000-261-420	49,780	38,993	88,773	81,406	7,367
General Supplies	11-000-261-610	46,000	(8,409)	37,591	32,253	5,338
<b>Total Allowable Maintenance for School Facilities</b>		<b>170,069</b>	<b>37,937</b>	<b>208,006</b>	<b>195,256</b>	<b>12,750</b>

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Operation & Maintenance of Plant Services & School Facilities:						
Salaries	11-000-262-100	89,256	(432)	88,824	87,808	1,016
Aides	11-000-262-107	37,523	-	37,523	36,448	1,075
Purchased Professional & Technical Services	11-000-262-300	9,500	(5,701)	3,799	1,164	2,635
Cleaning, Repair & Maintenance Services	11-000-262-420	622,363	5,274	627,637	624,403	3,234
Other Purchased Property Services	11-000-262-490	53,705	-	53,705	50,368	3,337
Insurance	11-000-262-520	42,175	3,048	45,223	44,722	501
Miscellaneous Purchased Services	11-000-262-590	-	-	-	-	-
General Supplies	11-000-262-610	57,050	10	57,060	53,632	3,428
Energy (Natural Gas)	11-000-262-621	89,352	-	89,352	51,789	37,563
Energy (Electricity)	11-000-262-622	321,600	-	321,600	235,000	86,600
Other Objects	11-000-262-800	950	85	1,035	1,032	3
<b>Total Operation &amp; Maintenance of Plant Services &amp; School Facilities</b>		<b>1,323,474</b>	<b>2,284</b>	<b>1,325,758</b>	<b>1,186,366</b>	<b>139,392</b>
Care & Upkeep of Grounds:						
Other Purchased Professional Technical Services	11-000-263-300	51,300	(2,680)	48,620	40,253	8,367
General Supplies	11-000-263-610	4,500	680	5,180	4,176	1,004
<b>Total Care &amp; Upkeep of Grounds</b>		<b>55,800</b>	<b>(2,000)</b>	<b>53,800</b>	<b>44,429</b>	<b>9,371</b>
Security:						
Other Purchased Professional Technical Services	11-000-266-300	23,500	14,165	37,665	33,608	4,057
Cleaning, Repair & Maintenance Services	11-000-266-420	4,500	-	4,500	4,500	-
General Supplies	11-000-266-610	-	2,635	2,635	2,633	2
<b>Total Security</b>		<b>28,000</b>	<b>16,800</b>	<b>44,800</b>	<b>40,741</b>	<b>4,059</b>
Student Transportation Services:						
Salaries of Noninstructional Aides	11-000-270-107	3,030	5,627	8,657	8,657	-
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	23,461	1,000	24,461	24,461	-
Other Purchased Professional Technical Services	11-000-270-390	1,500	(491)	1,009	304	705
Contracted Services (Between Home & School) - Vendors	11-000-270-511	456,826	129,023	585,849	580,826	5,023

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL (FAVORABLE/ UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services (continued):						
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	48,591	(5,397)	43,194	29,397	13,797
Contracted Services (Special Education Students) - Vendors	11-000-270-514	13,857	-	13,857	13,857	-
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-515	399,716	(68,630)	331,086	330,769	317
Contracted Service - Aid in Lieu of Payments	11-000-270-503	46,852	(3,626)	43,226	34,038	9,188
Misc. Purchased Svc. - Transp.	11-000-270-593	2,125	6	2,131	2,131	-
General Supplies	11-000-270-610	400	(6)	394	172	222
Miscellaneous Expenditures	11-000-270-800	150	-	150	-	150
<b>Total Student Transportation Services</b>		<b>996,508</b>	<b>57,506</b>	<b>1,054,014</b>	<b>1,024,612</b>	<b>29,402</b>
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	104,446	16,548	120,994	118,531	2,463
Other Retirement Contribution - PERS	11-000-291-241	116,487	-	116,487	109,936	6,551
Other Retirement Contribution - Regular	11-000-291-249	13,422	-	13,422	10,481	2,941
Unemployment Compensation	11-000-291-250	45,000	(5,048)	39,952	-	39,952
Workmen's Compensation	11-000-291-260	55,500	(47)	55,503	55,502	1
Health Benefits	11-000-291-270	1,665,735	(20,740)	1,644,995	1,510,439	134,556
Tuition Reimbursements	11-000-291-280	40,000	-	40,000	13,012	26,988
Other Employee Benefits	11-000-291-290	49,665	8,250	57,915	51,660	6,255
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>2,090,305</b>	<b>(1,037)</b>	<b>2,089,268</b>	<b>1,869,561</b>	<b>219,707</b>
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	329,307	(329,307)
On-Behalf TPAF Medical Contributions		-	-	-	522,773	(522,773)
Reimbursed TPAF Social Security Contributions		-	-	-	428,623	(428,623)
<b>Total Undistributed Expenditures</b>		<b>11,416,726</b>	<b>87,395</b>	<b>11,504,121</b>	<b>11,977,131</b>	<b>(473,010)</b>
<b>Total Expenditures - Current Expense</b>		<b>17,780,262</b>	<b>65,283</b>	<b>17,845,545</b>	<b>18,021,450</b>	<b>(175,905)</b>
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604-000-000	125	-	125	-	125
Interest Deposit to Maintenance Reserve	10-606-000-000	250	-	250	-	250

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Equipment:					
Undistributed Expenditures:					
Instruction	15,000	42,750	57,750	18,545	39,205
Child Study Teams	-	-	-	-	-
Maintenance of School Facilities	10,000	-	10,000	6,000	4,000
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	56,700	(56,700)	-	-	-
Other Purchased Professional & Construction Services	707,762	(538,400)	169,362	123,985	45,377
Other Objects	2,610	(2,610)	-	-	-
Assessment for Debt Service on SDA Funding	1,137	-	1,137	-	1,137
Total Capital Outlay	793,584	(554,960)	238,624	148,530	90,094
Total Expenditures	18,573,846	(489,677)	18,084,169	18,169,980	(85,811)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(1,454,377)	489,677	(964,700)	337,316	1,302,016
Other Financing Sources/(Uses):					
Transfer to Cover Deficit (Enterprise)	(24,000)	-	(24,000)	-	24,000
Transfer to Capital Projects	-	(626,310)	(626,310)	(626,310)	-
Total Other Financing Sources/(Uses)	(24,000)	(626,310)	(650,310)	(626,310)	24,000

LOGAN TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	JUNE 30, 2015			VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses) Fund Balances, July 1	(1,478,377) 4,017,154	(136,633) -	(1,615,010) 4,017,154	(288,994) 4,017,154
Fund Balances, June 30	\$ 2,538,777	\$ (136,633)	\$ 2,402,144	\$ 3,728,160
				\$ 1,326,016

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	\$ 109,180
Transfer in from Maintenance Reserve	27,453
Total	\$ 136,633

RECAPITULATION OF FUND BALANCE

<b>Restricted Fund Balance:</b>	
Capital Reserve	291,054
Tuition Reserve - Designated for Subsequent Year	-
Maintenance Reserve	399,983
Excess Surplus - Designated for Subsequent Year	1,318,713
Excess Surplus	1,306,435
<b>Assigned Fund Balance:</b>	
Year End Encumbrances	16,578
<b>Unassigned Fund Balance</b>	<b>395,397</b>
Subtotal	3,728,160
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(518,272)
Fund Balance per Governmental Funds (GAAP)	\$ 3,209,888

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>					
State Sources	\$ 36,300	\$ -	\$ 36,300	\$ 36,300	\$ -
Federal Sources	293,204	34,352	327,556	327,556	-
Local Sources	15,000	9,315	24,315	18,315	(6,000)
<b>Total Revenues</b>	<b>344,504</b>	<b>43,667</b>	<b>388,171</b>	<b>382,171</b>	<b>(6,000)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	124,335	(288)	124,047	124,047	-
General Supplies	3,000	6,902	9,902	3,902	6,000
Tuition	203,858	14,528	218,386	218,386	-
<b>Total Instruction</b>	<b>331,193</b>	<b>21,142</b>	<b>352,335</b>	<b>346,335</b>	<b>6,000</b>
<b>Support Services:</b>					
Employee Benefits	-	15,866	15,866	15,866	-
Purchased Professional Services	13,311	6,659	19,970	19,970	-
<b>Total Support Services</b>	<b>13,311</b>	<b>22,525</b>	<b>35,836</b>	<b>35,836</b>	<b>-</b>
<b>Total Expenditures</b>	<b>344,504</b>	<b>43,667</b>	<b>388,171</b>	<b>382,171</b>	<b>6,000</b>
<b>Total Outflows</b>	<b>344,504</b>	<b>43,667</b>	<b>388,171</b>	<b>382,171</b>	<b>6,000</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/ (Uses)</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
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 FUND	SPECIAL REVENUE FUND
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 18,507,296	\$ 382,171
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	511,233	3,630
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(518,272)	(3,630)
	<hr/>	<hr/>
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$ 18,500,257</u>	<u>\$ 382,171</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 18,169,980</u>	<u>\$ 382,171</u>
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	<hr/>	<hr/>
	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 18,169,980</u>	<u>\$ 382,171</u>

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01334%	0.01321%
District's proportionate share of the net pension liability (asset)	\$ 2,496,772	\$ 2,523,941
District's covered-employee payroll	\$ 978,010	\$ 965,149
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	255.29%	261.51%
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, governments should present information for those years for which information is available.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 128,407	\$ 109,936
Contributions in relation to the contractually required contribution	<u>128,407</u>	<u>109,936</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 978,010	\$ 965,149
Contributions as a percentage of covered- employee payroll	13.13%	11.39%

\*\*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.06158%	0.05952%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 32,915,040	\$ 30,082,270
District's covered-employee payroll	\$ 6,240,874	\$ 5,923,128
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
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, governments should present information for those years for which information is available.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes of benefit terms.** 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.

**Changes of assumptions.** Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements 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.

**Public Employees' Retirement System (PERS)**

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

**Changes of assumptions.** 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.

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	I.D.E.A. - PART B		NO CHILD LEFT BEHIND		
	BASIC REGULAR PROGRAM	PRESCHOOL INCENTIVE PROGRAM	TITLE I	TITLE II PART A	TITLE III
Revenues:					
Federal Sources	\$ 210,384	\$ 8,002	\$ 89,790	\$ 17,655	\$ 1,725
Total Revenues	<u>\$ 210,384</u>	<u>\$ 8,002</u>	<u>\$ 89,790</u>	<u>\$ 17,655</u>	<u>\$ 1,725</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ 73,022	\$ -	\$ 1,725
Tuition	210,384	8,002	-	-	-
General Supplies	-	-	902	-	-
Total Instruction	<u>210,384</u>	<u>8,002</u>	<u>73,924</u>	<u>-</u>	<u>1,725</u>
Support Services:					
Employee Benefits	-	-	15,866	-	-
Purchase Professional & Technical Services	-	-	-	17,655	-
Total Support Services	<u>-</u>	<u>-</u>	<u>15,866</u>	<u>17,655</u>	<u>-</u>
Total Expenditures	<u>\$ 210,384</u>	<u>\$ 8,002</u>	<u>\$ 89,790</u>	<u>\$ 17,655</u>	<u>\$ 1,725</u>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ITALIAN GRANT	PRESCHOOL EDUCATION AID	LOCAL DONATION	LOGAN SAFETY GRANT	2015
Revenues:					
Federal Sources	\$ -	\$ -	\$ -	\$ -	\$ 327,556
State Sources	-	36,300	-	-	36,300
Local Sources	15,000	-	2,315	1,000	18,315
<b>Total Revenues</b>	<b>15,000</b>	<b>36,300</b>	<b>2,315</b>	<b>1,000</b>	<b>382,171</b>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 15,000	\$ 34,300	\$ -	\$ -	\$ 124,047.00
Tuition	-	-	-	-	218,386
General Supplies	-	2,000	-	1,000	3,902
<b>Total Instruction</b>	<b>15,000</b>	<b>36,300</b>	<b>-</b>	<b>1,000</b>	<b>346,335</b>
Support Services:					
Employee Benefits	-	-	-	-	15,866
Purchased Professional Services	-	-	2,315	-	19,970
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>2,315</b>	<b>-</b>	<b>35,836</b>
<b>Total Expenditures</b>	<b>\$ 15,000</b>	<b>\$ 36,300</b>	<b>\$ 2,315</b>	<b>\$ 1,000</b>	<b>\$ 382,171</b>

**LOGAN BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2015		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 34,300	\$ 34,300	\$ -
Supplies	2,000	2,000	-
Total Instruction	<u>36,300</u>	<u>36,300</u>	<u>-</u>
 Total Expenditures	 <u>\$ 36,300</u>	 <u>\$ 36,300</u>	 <u>\$ -</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2014-2015 Preschool Education Aid Allocation	\$ 36,300
Add: Actual Preschool Education Aid Carryover June 30, 2014	<u>-</u>
Total Preschool Education Aid Funds Available for 2014-2015 Budget	36,300
Less: 2014-2015 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<u>(36,300)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2015	-
Add: June 30, 2015 Unexpended Preschool Education Aid	<u>-</u>
Total Actual Preschool Education Aid Carryover	<u>\$ -</u>
2014-2015 Preschool Education Aid Carryover Budgeted in 2015-2016	<u>\$ -</u>

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F. Capital Projects Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2015**

PROJECT	DATE	APPROPRIATION	EXPENDITURES TO DATE			UNEXPENDED
			PRIOR	CURRENT		
Cooling Tower for HVAC	01/06/2014	\$ 577,000	\$ 77,758	\$ 303,621	\$	195,621
HVAC Renovation for Elementary School Gym	12/26/2014	\$ 459,730	\$ -	\$ 193,889	\$	265,841
Boiler System Replacement Project	05/23/2015	\$ 464,000	\$ -	\$ 302,380	\$	161,620
Elementary School Door Replacement Project	05/23/2015	\$ 120,120	\$ -	\$ 10,400	\$	109,720
Total \$			77,758	\$ 810,290	\$	732,802

Reconciliation - Unexpended Capital Project  
Balances to Fund Balance - June 30, 2015:

Unexpended Project Balances June 30, 2015	\$	732,802
Less:		
Unexpended State Aid - ROD Grants		(293,121)
<b>Total Fund Balance (GAAP Basis) - June 30, 2015</b>	<b>\$</b>	<b>439,681</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE-BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015**

Revenues & Other Financing Sources:	
State Sources	\$ 417,540
Transfer from General Fund	<u>626,310</u>
Total Revenues	<u>1,043,850</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	86,186
Construction Services	<u>724,104</u>
Total Expenditures	<u>810,290</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	233,560
Fund Balance - Beginning	<u>499,242</u>
Fund Balance - Ending	<u><u>\$ 732,802</u></u>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
COOLING TOWER FOR HVAC  
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 230,800	\$ -	\$ 230,800	\$ 230,800
Transfers	346,200	-	346,200	346,200
<b>Total Revenues</b>	<b>577,000</b>	<b>-</b>	<b>577,000</b>	<b>577,000</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	36,908	11,392	48,300	54,100
Construction Services	40,850	292,229	333,079	522,900
<b>Total Expenditures</b>	<b>77,758</b>	<b>303,621</b>	<b>381,379</b>	<b>577,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 499,242</b>	<b>\$ (303,621)</b>	<b>\$ 195,621</b>	<b>\$ -</b>

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1005-G04
Grant Date	01/06/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$577,000
Revised Authorized Cost	\$577,000
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOLIER SYSTEM REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 183,892	\$ 183,892	\$ 183,892
Transfers	-	275,838	275,838	275,838
	<hr/>			
Total Revenues	-	459,730	459,730	459,730
<hr/>				
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	27,592	27,592	43,930
Construction Services	-	166,297	166,297	415,800
	<hr/>			
Total Expenditures	-	193,889	193,889	459,730
<hr/>				
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 265,841	\$ 265,841	\$ -
	<hr/> <hr/>			

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1006-G04
Grant Date	05/23/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$459,730
Revised Authorized Cost	\$459,730
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
HVAC RENOVATION FOR ELEMENTARY SCHOOL GYMNASIUM  
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 185,600	\$ 185,600	\$ 185,600
Transfers	-	278,400	278,400	278,400
<b>Total Revenues</b>	<b>-</b>	<b>464,000</b>	<b>464,000</b>	<b>464,000</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	36,802	36,802	44,000
Construction Services	-	265,578	265,578	420,000
<b>Total Expenditures</b>	<b>-</b>	<b>302,380</b>	<b>302,380</b>	<b>464,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 161,620	\$ 161,620	\$ -

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1003-G04
Grant Date	12/26/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$464,000
Revised Authorized Cost	\$464,000
Percentage Increase Over Original Authorized Cost	0%

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ELEMENTARY SCHOOL DOOR REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ -	\$ 48,048	\$ 48,048	\$ 48,048
Transfers	-	72,072	72,072	72,072
	<hr/>			
Total Revenues	-	120,120	120,120	120,120
	<hr/>			
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	10,400	10,400	10,920
Construction Services	-	-	-	109,200
	<hr/>			
Total Expenditures	-	10,400	10,400	120,120
	<hr/>			
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 109,720	\$ 109,720	\$ -
	<hr/> <hr/>			

**ADDITIONAL PROJECT INFORMATION**

Project Number	#2750-040-14-1004-G04
Grant Date	05/23/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$120,120
Revised Authorized Cost	\$120,120
Percentage Increase Over Original Authorized Cost	0%

## G. Proprietary Funds

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Enterprise Funds

This section has been included on Exhibit B-4, B-5 & B-6

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			AGENCY		TOTAL 2015
	UNEMPLOYMENT COMPENSATION INSURANCE TRUST	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL		
Cash & Cash Equivalents	\$ 36,780	\$ 6,626	\$ 32,927	\$ 247,427	\$	323,760
Due from Unemployment	-	-	-	-	-	-
Total Assets	36,780	6,626	32,927	247,427		323,760
<b>LIABILITIES</b>						
Payroll Deductions & Withholdings	-	-	-	245,477		245,477
Flexible Spending	-	-	-	1,950		1,950
Due to Payroll	-	-	-	-		-
Due to Student Groups	-	-	32,927	-		32,927
Total Liabilities	-	-	32,927	247,427		280,354
<b>NET POSITION</b>						
Reserved for Unemployment Compensation	36,780	-	-	-		36,780
Unreserved	-	6,626	-	-		6,626
Total Net Position	\$ 36,780	\$ 6,626	\$ -	\$ -	\$ -	\$ 43,406

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

ADDITIONS	PRIVATE PURPOSE		TOTAL 2015
	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP	
Local Sources:			
Transfer from Payroll Agency Account	\$ 13,265	\$ -	\$ 13,265
Investment Earnings:			
Interest	4	8	12
 Total Additions	 13,269	 8	 13,277
 DEDUCTIONS			
Quarterly Unemployment Contribution Reports	862	-	862
Scholarship Payments	-	350	350
 Total Deductions	 862	 350	 1,212
Change in Net Position	12,407	(342)	12,065
Net Position - Beginning of the Year	24,373	6,968	31,341
 Net Position - End of the Year	 \$ 36,780	 \$ 6,626	 \$ 43,406

**LOGAN TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Student Activity	\$ 29,351	\$ 25,096	\$ 21,520	\$ 32,927
Total Student Activity	<u>\$ 29,351</u>	<u>\$ 25,096</u>	<u>\$ 21,520</u>	<u>\$ 32,927</u>

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 225,720	\$ 8,469,343	\$ 8,447,636	\$ 247,427
Due from Unemployment	351	-	351	-
Total Assets	<u>\$ 226,071</u>	<u>\$ 8,469,343</u>	<u>\$ 8,447,987</u>	<u>\$ 247,427</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholding	\$ 214,948	\$ 3,831,391	\$ 3,800,862	\$ 245,477
Net Payroll	-	4,615,908	4,615,908	-
Flexible Spending	11,123	22,044	31,217	1,950
Total Liabilities	<u>\$ 226,071</u>	<u>\$ 8,469,343</u>	<u>\$ 8,447,987</u>	<u>\$ 247,427</u>

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## I. Long-Term Debt

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	ISSUED	RETIRED	BALANCE JUNE 30, 2015
Refunding Bonds - Series 2005	04/20/2005	4,840,000	7/15/2015	530,000	4.00%	\$ 2,675,000	\$ -	\$ 515,000	\$ 2,160,000
			7/15/2016	545,000	4.00%				
			7/15/2017	540,000	3.75%				
			7/15/2018	545,000	4.00%				
Total						\$ 2,675,000	\$ -	\$ 515,000	\$ 2,160,000

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2015**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED CURRENT YEAR	LEASE ADJUSTMENT	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
Dell Computer Equipment	8/1/2011	48 Months	217,640	8.400%	\$ 62,275	\$ -	- \$	\$ 54,118	\$ 8,157
Dell Computer Equipment	8/1/2011	48 Months	88,644	6.000%	25,239	-	-	21,842	3,397
Dell Computer Equipment	5/31/2012	49 Months	104,129	7.500%	53,794	-	-	24,088	29,706
Dell Computer Equipment	8/1/2013	49 Months	79,514	5.100%	58,832	-	-	17,686	41,146
Total					\$ 200,140	\$ -	\$ -	\$ 117,734	\$ 82,406

**LOGAN TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>						
Local Sources:						
Local Tax Levy	40-1210	\$ 416,411	\$ -	\$ 416,411	\$ 416,411	\$ -
State Sources:						
Debt Service Aid Type II	40-3160	193,925	-	193,925	193,925	-
Total Revenues		610,336	-	610,336	610,336	-
<b>Expenditures:</b>						
Regular Debt Service:						
Interest	40-701-510-834	95,338	-	95,338	95,337	1
Redemption of Principal	40-701-510-910	515,000	-	515,000	515,000	-
Total Expenditures		610,338	-	610,338	610,337	1
<b>Other Financing Sources/(Uses):</b>						
Transfers from General Fund - Debt Service Relief						
		-	-	-	-	-
Total Other Financing Sources/(Uses)		-	-	-	-	-
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>						
		(2)	-	(2)	(1)	(1)
Fund Balance, July 1		2	-	2	2	-
Fund Balance, June 30		\$ -	\$ -	\$ -	\$ 1	\$ (1)

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**STATISTICAL SECTION (Unaudited)**

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**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 8,300,838	\$ 7,359,389	\$ 6,377,078	\$ 6,053,975	\$ 5,234,131	\$ 4,377,078	\$ 3,529,498	\$ 2,721,022	\$ 1,864,857	\$ 1,301,386
Restricted	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159	1,634,354
Unrestricted	(2,901,683)	(259,289)	(293,140)	(274,214)	(259,094)	(350,790)	(356,486)	(63,085)	(87,744)	(331,565)
<b>Total Governmental Activities</b>	<b>\$ 9,116,046</b>	<b>\$ 10,555,785</b>	<b>\$ 9,750,312</b>	<b>\$ 8,883,642</b>	<b>\$ 6,939,300</b>	<b>\$ 5,148,703</b>	<b>\$ 4,630,911</b>	<b>\$ 3,697,748</b>	<b>\$ 3,022,272</b>	<b>\$ 2,604,175</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 12,291	\$ 17,311	\$ 22,331	\$ 27,351	\$ 32,371	\$ 32,965	\$ 31,782	\$ 36,934	\$ 42,107	\$ 3,690
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	91,147	90,125	86,368	72,203	68,996	74,873	58,491	28,581	4,949	7,107
<b>Total Business-Type Activities</b>	<b>\$ 103,438</b>	<b>\$ 107,436</b>	<b>\$ 108,699</b>	<b>\$ 99,554</b>	<b>\$ 101,367</b>	<b>\$ 107,838</b>	<b>\$ 90,273</b>	<b>\$ 65,515</b>	<b>\$ 47,056</b>	<b>\$ 10,797</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 8,313,129	\$ 7,376,700	\$ 6,399,409	\$ 6,081,326	\$ 5,266,502	\$ 4,410,043	\$ 3,561,280	\$ 2,757,956	\$ 1,906,964	\$ 1,305,076
Restricted	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899	1,039,811	1,245,159	1,634,354
Unrestricted	(2,810,536)	(169,164)	(206,772)	(202,011)	(190,098)	(275,917)	(297,995)	(34,504)	(82,795)	(324,458)
<b>Total District Net Position</b>	<b>\$ 9,219,484</b>	<b>\$ 10,663,221</b>	<b>\$ 9,859,011</b>	<b>\$ 8,983,196</b>	<b>\$ 7,040,667</b>	<b>\$ 5,256,541</b>	<b>\$ 4,721,184</b>	<b>\$ 3,763,263</b>	<b>\$ 3,069,328</b>	<b>\$ 2,614,972</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 5,303,490	\$ 5,297,351	\$ 5,183,958	\$ 5,144,823	\$ 5,092,056	\$ 5,100,450	\$ 4,920,746	\$ 4,789,042	\$ 4,466,348	\$ 4,379,210
Special Education	774,977	687,144	573,746	611,867	533,494	548,382	525,053	504,639	516,752	470,881
Basic Skill/Remedial Instruction	246,716	222,126	386,526	323,731	240,767	370,020	326,229	247,916	204,011	162,890
Bilingual Education	-	-	-	-	-	-	-	5,810	5,401	5,746
Other Instruction	65,471	57,919	63,143	50,335	32,280	63,582	51,235	42,960	46,584	47,084
Support Services:										
Tuition	3,838,861	4,011,053	3,579,020	3,231,290	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893	3,864,931
Student & Instruction Related Services	1,524,815	1,480,940	1,321,244	1,241,427	1,128,319	1,276,585	1,138,680	1,142,732	1,163,638	1,164,174
School Administrative Services	314,592	319,580	374,501	360,831	347,943	385,887	379,190	395,626	374,193	377,218
General & Business Administrative Services	575,297	575,252	533,675	530,397	520,965	518,127	511,764	501,896	527,044	522,473
Plant Operations & Maintenance	1,466,792	1,431,213	1,335,059	1,360,706	1,344,578	1,358,684	1,226,154	1,228,585	1,251,158	1,211,558
Pupil Transportation	1,024,612	918,076	910,312	972,839	871,551	1,250,299	1,267,775	1,251,819	1,288,866	1,102,199
Allocated Benefits	-	-	-	-	-	-	-	1,670,079	-	-
Unallocated Benefits	4,602,430	3,010,602	3,231,394	2,797,928	2,739,236	2,741,355	2,619,071	1,338,359	2,898,605	2,336,448
Special Schools	-	-	-	-	-	30,829	39,734	38,065	32,943	29,770
Interest on Long-Term Debt	85,896	108,861	158,690	209,311	259,683	310,109	366,909	416,784	466,131	512,928
Revaluation of Fixed Assets	-	-	647,073	-	-	-	-	-	-	-
Unallocated Depreciation	595,871	619,354	587,816	763,459	695,911	674,708	621,165	621,165	614,338	549,445
Total Governmental Activities Expenses	20,419,820	18,739,471	18,886,157	17,598,944	17,391,116	19,070,665	18,621,498	19,043,737	18,164,905	16,736,955
Business-Type Activities:										
Food Service	311,501	191,758	328,623	343,046	331,553	354,875	368,575	359,708	375,970	345,118
Total Business-Type Activities Expense	311,501	191,758	328,623	343,046	331,553	354,875	368,575	359,708	375,970	345,118
<b>Total District Expenses</b>	<b>\$ 20,731,321</b>	<b>\$ 18,931,229</b>	<b>\$ 19,214,780</b>	<b>\$ 17,941,990</b>	<b>\$ 17,722,669</b>	<b>\$ 19,425,540</b>	<b>\$ 18,990,073</b>	<b>\$ 19,403,445</b>	<b>\$ 18,540,875</b>	<b>\$ 17,082,073</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Program Revenues:										
Operating Grants & Contributions	\$ 3,104,705	\$ 422,307	\$ 390,877	\$ 437,280	\$ 508,917	\$ 540,326	\$ 382,074	\$ 372,755	\$ 391,729	\$ 1,029,820
Total Governmental Activities Program Revenues	3,104,705	422,307	390,877	437,280	508,917	540,326	382,074	372,755	391,729	1,029,820
Business-Type Activities:										
Charges for Services:										
Food Service	191,758	185,429	213,016	224,536	240,049	256,954	249,595	249,704	237,530	216,354
Operating Grants & Contributions	115,745	120,374	124,752	100,546	102,391	96,379	88,572	123,456	72,496	64,355
Total Business Type Activities Program Revenues	307,503	305,803	337,768	325,082	342,440	353,333	338,167	373,160	310,026	280,709
Total District Program Revenues	\$ 3,412,208	\$ 728,110	\$ 728,645	\$ 762,362	\$ 851,357	\$ 893,659	\$ 720,241	\$ 745,915	\$ 701,755	\$ 1,310,529
Net (Expense)/Revenue:										
Governmental Activities	\$(17,315,115)	\$(18,317,164)	\$(18,495,280)	\$(17,161,664)	\$(16,882,199)	\$(18,530,339)	\$(18,239,424)	\$(18,670,982)	\$(17,773,176)	\$(15,707,135)
Business-Type Activities	(3,998)	(1,263)	9,145	(17,964)	10,887	(1,542)	(30,408)	13,452	(65,944)	(64,409)
Total District-Wide Net Expense	\$(17,319,113)	\$(18,318,427)	\$(18,486,135)	\$(17,179,628)	\$(16,871,312)	\$(18,531,881)	\$(18,269,832)	\$(18,657,530)	\$(17,839,120)	\$(15,771,544)

**LOGAN TOWNSHIP BOARD OF EDUCATION  
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 11,563,999	\$ 11,337,254	\$ 11,114,955	\$ 10,953,584	\$ 11,023,468	\$ 11,224,583	\$ 11,176,687	\$ 10,746,814	\$ 10,122,574	\$ 9,245,179
Taxes Levied for Debt Service	416,411	880,086	917,936	952,328	980,678	922,326	963,417	980,886	992,917	1,013,324
Unrestricted Grants & Contributions	5,627,066	6,918,957	7,074,009	6,991,984	6,448,730	6,769,678	6,983,037	7,481,572	7,156,367	6,344,194
SDA Grant Revenue	324,116	31,103	-	-	-	-	-	-	-	-
Tuition	191,492	231,505	187,404	192,567	214,851	124,076	66,803	95,991	160,522	82,027
Investment Earnings	7,141	401	235	-	-	-	21,801	80,963	136,620	102,569
Miscellaneous Income	23,781	22,876	67,411	15,543	5,069	37,468	842	232	14,178	38,857
Transfers	-	-	-	-	-	(30,000)	(48,701)	(40,000)	(39,069)	(37,000)
Net Increase in Capital Assets	(54,234)	-	-	-	-	-	-	-	(352,837)	(188,208)
Increase in Compensated Absences	-	-	-	-	-	-	-	-	-	4,400
<b>Total Governmental Activities</b>	<b>18,099,772</b>	<b>19,422,182</b>	<b>19,361,950</b>	<b>19,106,006</b>	<b>18,672,796</b>	<b>19,048,131</b>	<b>19,163,886</b>	<b>19,346,458</b>	<b>18,191,272</b>	<b>16,605,342</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	1,245
Transfers	-	-	-	-	-	30,000	40,000	40,000	39,069	37,000
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>40,000</b>	<b>40,000</b>	<b>39,069</b>	<b>38,245</b>
<b>Total District-Wide</b>	<b>\$ 18,099,772</b>	<b>\$ 19,422,182</b>	<b>\$ 19,361,950</b>	<b>\$ 19,106,006</b>	<b>\$ 18,672,796</b>	<b>\$ 19,078,131</b>	<b>\$ 19,203,886</b>	<b>\$ 19,386,458</b>	<b>\$ 18,230,341</b>	<b>\$ 16,643,587</b>
Change in Net Position:										
Governmental Activities	\$ 784,657	\$ 1,105,018	\$ 866,670	\$ 1,944,342	\$ 1,790,597	\$ 517,792	\$ 924,462	\$ 675,476	\$ 418,096	\$ 898,207
Business-Type Activities	(3,998)	(1,263)	9,145	(17,964)	10,887	28,458	9,592	53,452	(26,875)	(26,164)
<b>Total District</b>	<b>\$ 780,659</b>	<b>\$ 1,103,755</b>	<b>\$ 875,815</b>	<b>\$ 1,926,378</b>	<b>\$ 1,801,484</b>	<b>\$ 546,250</b>	<b>\$ 934,054</b>	<b>\$ 728,928</b>	<b>\$ 391,221</b>	<b>\$ 872,043</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund:</b>										
Reserved	\$ 3,316,185	\$ 3,504,100	\$ 3,737,743	\$ 3,198,504	\$ 1,692,832	\$ 1,233,275	\$ 1,096,301	\$ 901,779	\$ 1,184,642	\$ 1,384,469
Unreserved	(106,297)	1,821	(45,157)	(134,474)	262,970	(157,880)	331,461	417,536	319,446	25,768
<b>Total General Fund</b>	<b>\$ 3,209,888</b>	<b>\$ 3,505,921</b>	<b>\$ 3,692,586</b>	<b>\$ 3,064,030</b>	<b>\$ 1,955,802</b>	<b>\$ 1,075,395</b>	<b>\$ 1,427,762</b>	<b>\$ 1,319,315</b>	<b>\$ 1,504,088</b>	<b>\$ 1,410,237</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 439,682	\$ 299,547	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,287	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	1	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	30,729
Debt Service Fund	-	-	-	-	1,072	8,701	1	10,494	9,597	1
<b>Total All Other Governmental Funds</b>	<b>\$ 436,052</b>	<b>\$ 295,917</b>	<b>\$ (3,628)</b>	<b>\$ (3,630)</b>	<b>\$ (2,558)</b>	<b>\$ 5,071</b>	<b>\$ 2</b>	<b>\$ 10,494</b>	<b>\$ 249,884</b>	<b>\$ 30,730</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2105	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues:</b>										
Tax Levy	\$ 11,980,410	\$ 12,217,340	\$ 12,032,891	\$ 12,004,146	\$ 12,146,909	\$ 12,140,104	\$ 11,727,700	\$ 11,115,491	\$ 10,258,503	\$ 9,576,943
Tuition Charges	191,492	231,505	187,404	214,851	124,076	66,803	95,991	160,522	82,027	71,543
Interest Earnings	-	-	-	-	-	-	-	-	-	75
Miscellaneous	49,237	38,277	73,646	5,069	37,468	27,734	83,790	154,499	141,426	58,859
State Sources	7,268,185	6,986,360	7,110,309	6,458,976	5,931,624	7,017,215	7,518,262	7,193,428	7,034,950	6,826,270
Federal Sources	327,556	371,007	348,577	498,671	1,378,380	342,805	333,470	350,967	339,064	365,968
<b>Total Revenue</b>	<b>19,816,880</b>	<b>19,844,489</b>	<b>19,752,827</b>	<b>19,181,713</b>	<b>19,618,457</b>	<b>19,594,661</b>	<b>19,759,213</b>	<b>18,974,907</b>	<b>17,855,970</b>	<b>16,899,658</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,303,490	5,297,351	5,183,958	5,092,056	5,100,450	4,920,746	4,789,042	4,562,001	4,446,265	4,287,725
Special Education Instruction	774,977	687,144	573,746	533,494	548,382	525,053	504,639	516,752	470,881	463,204
Basic Skill/Remedial Instruction	246,716	222,126	386,526	240,767	370,020	326,229	247,916	204,011	162,890	201,387
Bilingual Education	-	-	-	-	-	-	5,810	5,401	5,746	5,685
Other Instruction	65,471	57,919	63,143	32,280	63,582	51,235	42,960	46,584	47,084	40,738
<b>Support Services:</b>										
Tuition	3,838,861	4,011,053	3,579,020	3,584,333	4,441,648	4,627,793	4,848,260	4,308,893	3,864,931	3,699,124
Student & Instruction Related Services	1,642,549	1,604,494	1,509,922	1,309,254	1,514,038	1,377,304	1,286,174	1,163,638	1,164,174	1,010,406
School Administrative Services	314,592	319,580	374,501	347,943	385,887	379,190	395,626	374,193	377,218	377,541
General & Business Administration Services	575,297	575,252	533,675	520,965	518,127	511,764	501,896	527,044	522,473	552,859
Plant Operations & Maintenance	1,466,792	1,431,213	1,335,059	1,341,378	1,333,638	1,226,154	1,228,585	1,251,158	1,211,558	1,187,609
Pupil Transportation	1,024,612	918,076	910,312	871,551	1,250,299	1,267,775	1,251,819	1,288,866	1,102,199	1,086,698
Allocated Benefits	-	-	-	-	-	-	1,670,079	-	-	-
Unallocated Benefits	3,150,264	2,997,475	3,123,151	2,770,024	2,745,392	2,607,375	1,330,237	2,876,703	2,336,448	2,157,418
Special Schools	-	-	-	-	30,829	39,734	38,065	32,943	29,770	29,330
Capital Outlay	958,820	398,762	309,181	216,153	407,016	447,307	401,991	473,924	349,397	113,469
Debt Service:										
Principal	515,000	1,160,000	1,165,000	1,160,000	1,150,000	1,150,000	1,145,000	1,110,000	1,125,000	1,010,000
Interest & Other Charges	95,337	1,30,678	181,204	282,180	336,280	389,775	439,483	488,198	483,307	625,737
<b>Total Expenditures</b>	<b>19,972,778</b>	<b>19,811,123</b>	<b>19,228,398</b>	<b>18,302,378</b>	<b>20,195,588</b>	<b>19,847,434</b>	<b>20,127,582</b>	<b>19,230,309</b>	<b>17,699,341</b>	<b>16,848,930</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(155,898)	33,366	524,429	879,335	(577,131)	(252,773)	(368,369)	(255,402)	156,629	50,728
Other Financing Sources/(Uses):										
Capital Leases	-	79,514	104,129	288,578	-	247,135	406,290	213,103	148,931	249,437
Transfers In	626,310	346,200	-	-	1,600	-	8,701	-	-	113,075
Transfers Out	(626,310)	(346,200)	-	-	(1,600)	(30,000)	(48,701)	(40,000)	(39,069)	(150,075)
Total Other Financing Sources/(Uses)	-	79,514	104,129	288,578	-	217,135	366,290	173,103	109,862	212,437
Net Change in Fund Balances	\$ (155,898)	\$ 112,880	\$ 628,558	\$ 1,167,913	\$ (577,131)	\$ (35,638)	\$ (2,079)	\$ (82,299)	\$ 266,491	\$ 263,165
Debt Service as a Percentage of Noncapital Expenditures	3.2%	6.6%	7.1%	8.0%	7.5%	7.9%	8.0%	8.5%	9.3%	10.8%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	CONTRIBUTIONS FROM PRIVATE SOURCES	PRIOR YEAR'S REFUNDS	MISCELLANEOUS	TOTAL
2015	\$ 191,492	\$ 7,141	\$ -	\$ 19,291	\$ 22,805	\$ 240,729
2014	231,505	401	-	-	37,876	269,782
2013	187,404	235	18,315	-	67,411	273,365
2012	192,567	-	-	-	15,543	208,110
2011	214,851	-	18,315	-	5,069	238,235
2010	124,076	10,172	18,315	3,889	23,407	179,859
2009	66,803	21,801	5,091	-	5,933	99,628
2008	95,991	80,963	-	-	2,827	179,781
2007	160,522	136,620	3,701	539	13,639	315,021
2006	82,027	102,592	50	6,914	34	191,617

Source: District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$22,293,100	\$ 398,884,100	\$8,670,900	\$2,381,400	\$ 99,747,800	\$ 499,349,300	\$ -	\$ 1,031,326,600	\$54,150,700	\$1,981,912	\$ 1,033,308,512	1.170	\$ 1,132,703,569
2014	25,939,500	398,969,100	7,496,200	2,411,800	101,380,300	507,829,381	-	1,044,026,281	54,256,900	1,893,488	1,045,919,769	1.145	1,154,257,912
2013	26,653,300	394,150,700	9,144,600	2,570,400	115,569,200	498,306,200	-	1,046,394,400	53,894,900	2,598,689	1,048,993,089	1.165	1,172,134,424
2012	17,647,900	227,011,800	4,700,000	2,829,700	64,805,410	295,799,517	-	612,794,327	20,734,600	1,507,222	614,301,549	1.959	1,135,014,497
2011	14,829,100	225,073,700	4,684,100	2,950,700	57,188,010	308,151,890	127,200	613,004,700	20,435,100	1,507,288	614,511,988	1.937	1,133,785,956
2010	14,383,900	222,037,200	5,116,100	3,089,400	57,892,600	314,055,690	127,200	616,702,090	20,519,500	1,607,525	618,309,615	1.941	1,184,274,305
2009	13,725,300	219,312,700	5,234,600	3,203,300	58,936,600	327,547,190	127,200	628,086,890	20,520,700	1,638,069	629,724,959	1.928	1,181,195,346
2008	13,990,100	215,398,700	5,011,200	3,208,400	334,464,800	45,871,890	127,200	618,072,290	18,838,900	1,632,771	619,705,061	1.959	1,095,967,784
2007	13,986,800	212,717,300	5,011,200	3,208,600	346,504,900	34,662,590	127,200	616,218,590	18,838,900	1,763,988	617,982,578	1.898	968,320,693
2006	11,442,500	211,523,600	5,078,800	3,264,400	343,138,500	34,662,590	127,200	609,237,590	18,671,800	2,009,766	611,247,356	1.818	812,200,130

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

**LOGAN TOWNSHIP BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT			DIRECT RATE		OVERLAPPING RATES						TOTAL DIRECT & OVERLAPPING TAX RATE
	LOCAL SCHOOL	DEBT SERVICE	TOTAL DIRECT	LOGAN TOWNSHIP	GLOUCESTER COUNTY	COUNTY LIBRARY	OTHER	COUNTY LIBRARY	OTHER			
2015	1.130	0.040	1.170	0.228	0.679	0.051	0.052	0.051	0.045	0.051	0.052	2.180
2014	1.105	0.040	1.145	0.228	0.639	0.051	0.045	0.051	0.045	0.051	0.045	2.108
2013	1.081	0.084	1.165	0.208	0.631	0.049	0.052	0.049	0.052	0.049	0.052	2.105
2012	1.810	0.149	1.959	0.345	0.948	0.078	0.075	0.078	0.075	0.078	0.075	3.405
2011	1.782	0.155	1.937	0.345	1.006	0.082	0.080	0.082	0.080	0.082	0.080	3.450
2010	1.782	0.159	1.941	0.345	1.043	0.083	0.082	0.083	0.082	0.083	0.082	3.494
2009	1.782	0.146	1.928	0.345	0.975	0.079	0.077	0.079	0.077	0.079	0.077	3.404
2008	1.804	0.155	1.959	0.345	0.924	0.075	0.072	0.075	0.072	0.075	0.072	3.375
2007	1.739	0.159	1.898	0.326	0.801	0.067	0.063	0.067	0.063	0.067	0.063	3.155
2006	1.638	0.180	1.818	0.309	0.738	0.059	0.053	0.059	0.053	0.059	0.053	2.977

Source: District Records and Municipal Tax Collector

**LOGAN TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Venture I LP	\$89,105,700	1	8.62%
CBRE Inc.	30,000,000	2	2.90%
Birch Creek Distribution Center	17,199,600	3	1.66%
SunTrust Bank	17,105,800	4	1.66%
Liberty Property LTD	16,392,200	5	1.59%
IIT Center Square DC LLC	14,347,700	6	1.39%
Duke Realty LP	14,003,700	7	1.36%
DGI LS LLC	13,675,800	8	1.32%
Prologis NA3 NV IV LLC	13,355,900	9	1.29%
IIT Pureland DC I LLC	11,750,000	10	1.14%
Total	<u>\$ 236,936,400</u>		<u>22.93%</u>

TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Ventures I, LLP	\$67,652,900	1	10.947%
Mid-Atlantic (Pureland) Incorporated	29,946,900	2	4.846%
Pureland VI Limited Partnership	21,461,400	3	3.473%
US Industrial REIT II	13,474,000	4	2.180%
Sun East Equity Funding	12,289,100	5	1.989%
Wachovia Development Corp.	10,000,000	6	1.618%
Allen Commercial Realty	7,400,000	7	1.197%
Cardinal Health 200, Inc.	7,162,100	8	1.159%
CLFP-NEBC Land Corporation	7,140,200	9	1.155%
Liberty Property LTD Partnership	7,089,100	10	1.147%
Total	<u>\$ 183,615,700</u>		<u>29.71%</u>

Source: Municipal Tax Assessor

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2015	\$ 11,980,410	\$ 11,980,410	100.00%	-
2014	12,217,340	12,217,340	100.00%	-
2013	12,032,891	12,032,891	100.00%	-
2012	11,905,912	11,905,912	100.00%	-
2011	12,004,146	12,004,146	100.00%	-
2010	12,146,909	12,146,909	100.00%	-
2009	12,140,104	12,140,104	100.00%	-
2008	11,727,700	11,727,700	100.00%	-
2007	11,115,491	11,115,491	100.00%	-
2006	10,258,503	10,258,503	100.00%	-
2005	9,576,943	9,576,943	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

**LOGAN TOWNSHIP BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		
2015	\$ 2,160,000	\$ -	\$ 82,406	\$ 2,242,406	376
2014	2,675,000	-	200,140	2,875,140	478
2013	5,000,000	-	235,050	5,235,050	676
2012	5,000,000	-	319,599	5,319,599	878
2011	6,165,000	-	301,735	6,466,735	1,070
2010	7,325,000	-	482,670	8,947,988	1,133
2009	8,475,000	-	472,988	9,930,322	1,433
2008	9,625,000	-	305,322	11,005,661	1,778
2007	10,770,000	-	235,661	12,062,383	1,960
2006	11,880,000	-	182,383	13,005,000	2,107

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2015	\$ 2,160,000	\$ -	\$ 2,160,000	N/A	359
2014	2,675,000	-	2,675,000	N/A	445
2013	5,000,000	-	5,000,000	0.81%	831
2012	6,165,000	-	6,165,000	1.00%	1,017
2011	7,325,000	-	7,325,000	1.18%	1,212
2010	8,475,000	-	8,475,000	1.35%	1,403
2009	9,625,000	-	9,625,000	1.56%	1,541
2008	10,770,000	-	10,770,000	1.71%	1,740
2007	11,880,000	-	11,880,000	1.92%	1,930
2,006	13,005,000	-	13,005,000	2.10%	2,107

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2014**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Logan	\$ 5,824,179	100.00%	\$ 5,824,179
County of Gloucester General Obligation Debt	248,143,579	4.47%	<u>11,092,018</u>
Subtotal, Overlapping Debt			16,916,197
Logan Township School District Direct Debt			<u>2,160,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 19,076,197</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Logan Township or Gloucester County Board of Taxation.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2015	2104	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 34,713,892	\$ 34,601,417	\$ 34,905,264	\$ 35,063,710	\$ 35,488,312	\$ 34,501,243	\$ 32,190,631	\$ 28,195,875	\$ 24,322,278	\$ 20,798,779
Total Net Debt Applicable to Limit	2,160,000	2,675,000	3,835,000	5,000,000	6,165,000	7,325,000	8,475,000	9,625,000	10,770,000	11,880,000
Legal Debt Margin	\$ 32,553,892	\$ 31,926,417	\$ 31,070,264	\$ 30,063,710	\$ 29,323,312	\$ 27,176,243	\$ 23,715,631	\$ 18,570,875	\$ 13,552,278	\$ 8,918,779
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.22%	7.73%	10.99%	14.26%	17.37%	21.23%	26.33%	34.14%	44.28%	57.12%

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

	Equalized Valuation Basis
	2014 \$ 1,146,651,599
	2013 1,156,842,897
	2013 1,167,894,658
	<u>\$ 3,471,389,154</u>
	<u>\$ 1,157,129,718</u>
Average Equalized Valuation of Taxable Property	
Debt Limit (3 % of Average Equalization Value)	34,713,892
Net Bonded School Debt	<u>2,160,000</u>
Legal Debt Margin	<u>\$ 32,553,892</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district:

**LOGAN TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2015	5,971	N/A	N/A
2014	6,013	N/A	5.4%
2013	6,018	45,169	8.6%
2012	6,059	44,868	4.3%
2011	6,042	43,658	4.2%
2010	6,042	41,663	4.3%
2009	6,245	41,072	4.1%
2008	6,189	40,898	2.7%
2007	6,154	39,052	2.1%
2006	6,171	37,630	2.3%

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2015		
	(1) EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	
Kennedy Memorial Hospital	1,675	2	
Washington Township School District	1,631	3	
Rowan University	1,483	4	
County of Gloucester	1,398	5	
MISSA Bay LLC	950	6	
Monroe Twp School District	807	7	
U.S. Foodservice	725	8	
ExxonMobil Research & Engineering	540	9	
LaBrea Bakery	525	10	
	<u>11,559</u>		<u>N/A</u>
		2006	
		N/A	

This exhibit reflects principal employers for Gloucester County.

Source: (1) Gloucester County Office of Economic Development for company and employee data.  
(2) New Jersey Department of Labor and Workforce Development for the total employment data.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEAR**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Instruction:</b>											
Regular	64	63	63	63	69	73	71	75	75	75	76
Special Education	13	12	9	10	9	9	9	7	7	7	7
Other Special Education	4	4	5	5	4	3	3	3	3	3	3
<b>Support Services:</b>											
Student & Instruction Related Services	27	26	29	25	23	20	20	20	20	20	17
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	3	3	3	5	6	6	5	5	5	5
Central Services	2	2	2	2	3	3	3	4	4	4	4
Administrative Information Technology	1	1	1	1	1	3	3	2	2	2	2
Plant Operations & Maintenance	5	5	5	5	5	6	6	3	3	3	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1	1
Food Service		-	-	1	2	2	2	4	4	4	6
<b>Total</b>	<b>123</b>	<b>119</b>	<b>120</b>	<b>118</b>	<b>124</b>	<b>128</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>

Source: School District Records.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	ELEMENTARY	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2105	843	\$ 18,403,621	21,831	4.08%	79	10.7:1		832.9	800.9	-0.63%	96.16%
2014	839	18,121,683	21,599	2.97%	80	10.5:2		838.9	805.6	0.08%	96.03%
2013	838	17,577,304	20,975	9.16%	80	9.6:1		838.2	799.3	-4.64%	95.36%
2012	879	16,890,270	19,215	0.90%	81	10.8:1		879.0	846.1	0.56%	96.26%
2011	874	16,644,045	19,044	-4.04%	83	10.5:1		874.1	840.5	-3.23%	96.16%
2010	903	18,301,292	19,845	0.00%	85	10.6:1		903.3	865.5	3.14%	96.00%
2009	900	17,860,352	19,845	-4.17%	82	11.0:1		899.7	863.7	2.73%	96.00%
2008	876	18,141,108	20,709	12.61%	82	11.4:1		875.8	842.1	-5.74%	96.15%
2007	933	17,158,187	18,390	8.53%	82	11.3:1		933.4	895.7	0.46%	95.96%
2006	929	15,741,638	16,945	#REF!	83	11.2:1		929.1	892.1	-1.22%	96.02%

**Sources:** District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR  
REVISED**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Elementary Schools:										
Logan Township (1991):										
Square Feet	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068
Capacity (Students)	877	877	877	877	877	877	877	877	877	877
Enrollment	615	605	610	657	650	651	672	658	728	728
Center Square (2001):										
Square Feet	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135
Capacity (Students)	266	266	266	266	266	266	266	266	266	266
Enrollment (a)	228	234	228	222	224	252	227	218	202	202

Number of Buildings at June 30, 2015:

- Elementary = 2
- Middle = 0
- High School = 0
- Other = 0

**Source:** District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

	LOGAN TOWNSHIP ELEMENTARY	CENTER SQUARE ELEMENTARY	TOTAL
2015	\$ 159,622	\$ 35,634	\$ 195,256
2014	133,803	34,549	168,352
2013	116,326	51,784	168,110
2012	115,606	53,582	169,188
2011	98,680	43,685	142,365
2010	95,490	31,141	115,688
2009	87,605	28,083	115,688
2008	24,564	99,644	124,208
2007	72,864	36,367	109,231
2006	97,956	17,253	115,209

Total School Facilities

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

Source: District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy:</b>		
Property		
Blanket Building & Contents	\$ 43,057,205	\$ 1,000
Pollution	1,000,000	-
Blanket Dishonesty-Crime Coverage		
Per Person	100,000	-
Per Loss	400,000	1,000
General Liability	5,000,000	-
Automobile	5,000,000	-
Automobile Comprehensive & Collision Coverage		1,000
School Board Legal Liability	5,000,000	5,000
Workers Compensation Including Supplemental Excess Liability-Auto, General Liability,	5,000,000	-
Workers Compensation & School Board Legal	15,000,000	-
Student Accident		
Maximum Benefit Per Injury	1,000,000	-
Surety Bonds:		
Treasurer	250,000	-
Business Administrator	5,000	-

Source: District records

**SINGLE AUDIT SECTION**

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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 President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Logan Township Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Logan Township Board of Education's basic financial statements, and have issued our report thereon dated December 9, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Logan Township Board of Education'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 Logan Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Logan Township Board of Education's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Logan Township Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Public School Accountant  
Certified Public Accountant  
No. 2198

Medford, New Jersey  
December 9, 2015

EXHIBIT K-2

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

Honorable President and Members  
of the Board of Education  
Logan Township School District  
County of Gloucester  
Swedesboro, New Jersey 08085

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

We have audited the Logan Township Board of Education's compliance with the types of compliance requirements described in the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2015. The Logan Township Board of Education's major 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 state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Logan Township Board of Education's major 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08, 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 major state program occurred. An audit includes examining, on a test basis, evidence about Logan Board of Education'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 state program. However, our audit does not provide a legal determination of the Logan Township Board of Education's compliance with those requirements.

### **Opinion on Each Major State Program**

In our opinion, the Logan Township Board of Education 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 state programs for the year ended June 30, 2015.

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

Management of the Logan Township Board of Education 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 Logan Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular(s) 04-04 and/or 15-08, 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 Logan Township Board of Education's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines  
Public School Accountant  
Certified Public Accountant  
No. 2198

Medford, New Jersey  
December 9, 2015

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LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	UNEARNED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR JUNE 30, 2015	MEMO	
											BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education</b>												
General Fund:												
Current Expense:												
Equalization Aid	15-495-034-5120-078	\$ 3,990,950	7/1/14-6/30/15	\$ -	\$ -	\$ 3,990,950	\$ (3,990,950)	\$ -	\$ -	\$ -	\$ 383,384	\$ 3,990,950
Transportation Aid	15-495-034-5120-014	384,544	7/1/14-6/30/15	-	-	384,544	(384,544)	-	-	-	36,941	384,544
Special Education Categorical Aid	15-495-034-5120-089	633,953	7/1/14-6/30/15	-	-	633,953	(633,953)	-	-	-	60,900	633,953
Security Aid	15-495-034-5120-084	101,621	7/1/14-6/30/15	-	-	101,621	(101,621)	-	-	-	9,762	101,621
Adjustment Aid	15-495-034-5120-085	220,299	7/1/14-6/30/15	-	-	220,299	(220,299)	-	-	-	21,163	220,299
School Choice Aid	15-495-034-5120-096	42,488	7/1/14-6/30/15	-	-	42,488	(42,488)	-	-	-	4,082	42,488
PARCC Readiness Aid	15-495-034-5120-098	10,620	7/1/14-6/30/15	-	-	10,620	(10,620)	-	-	-	1,020	10,620
Per Pupil Growth Aid	15-495-034-5120-097	10,620	7/1/14-6/30/15	-	-	10,620	(10,620)	-	-	-	1,020	10,620
Extraordinary Aid	15-495-034-5120-473	32,129	7/1/14-6/30/15	-	-	32,129	(32,129)	(32,129)	-	-	-	32,129
Extraordinary Aid	14-495-034-5120-473	46,390	7/1/13-6/30/14	(46,390)	-	46,390	-	-	-	-	-	-
Non Public Transportation Aid	15-495-034-5120-068	12,956	7/1/14-6/30/15	-	-	12,956	(12,956)	-	-	-	-	12,956
Non Public Transportation Aid	14-495-034-5120-068	14,216	7/1/13-6/30/14	(14,216)	-	14,216	-	-	-	-	-	-
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	329,307	7/1/14-6/30/15	-	-	329,307	(329,307)	-	-	-	-	329,307
On-Behalf TPAF Medical Contribution	15-495-034-5095-006	522,773	7/1/14-6/30/15	-	-	522,773	(522,773)	-	-	-	-	522,773
On-Behalf TPAF Social Security Reimbursement	14-495-034-5095-002	435,986	7/1/13-6/30/14	(21,381)	-	21,381	-	-	-	-	-	-
On-Behalf TPAF Social Security Reimbursement	15-495-034-5095-002	428,623	7/1/14-6/30/15	-	-	406,590	(428,623)	(22,033)	-	-	-	428,623
Total General Fund				(81,987)	-	6,735,752	(6,720,883)	(67,118)	-	-	518,272	6,720,883
<b>Special Revenue Fund:</b>												
Preschool Education Aid	14-495-034-5120-086	36,300	7/1/13-6/30/14	(3,630)	-	3,630	-	-	-	-	-	-
Preschool Education Aid	15-495-034-5120-086	36,300	7/1/14-6/30/15	-	-	32,670	(36,300)	(3,630)	-	-	3,630	36,300
Total Special Revenue Fund				(3,630)	-	36,300	(36,300)	(3,630)	-	-	3,630	36,300
<b>Capital Projects Fund:</b>												
SDA Grant - Cooling Tower Replacement	G5-5145	230,800	7/1/13-6/30/16	(31,103)	-	-	(121,448)	(152,551)	-	-	-	121,448
SDA Grant - Boiler Replacement	G5-5146	183,892	7/1/14-6/30/16	-	-	-	(77,556)	(77,556)	-	-	-	77,556
SDA Grant - HVAC in Gym	G5-5143	185,600	7/1/14-6/30/16	-	-	-	(120,952)	(120,952)	-	-	-	120,952
SDA Grant - Exterior Doors	G5-5144	48,048	7/1/14-6/30/16	-	-	-	(4,160)	(4,160)	-	-	-	4,160
Total Capital Projects Fund				(31,103)	-	-	(324,116)	(355,219)	-	-	-	324,116
<b>Debt Service Fund:</b>												
Debt Service Aid Type II	15-495-034-5120-125	193,925	7/1/14-6/30/15	-	-	193,925	(193,925)	-	-	-	-	193,925
Total Debt Service Fund				-	-	193,925	(193,925)	-	-	-	-	193,925
<b>Enterprise Fund:</b>												
National School Lunch Program (State Share)	14-100010-3360-067	3,447	7/1/13-6/30/14	(501)	-	501	-	-	-	-	-	-
National School Lunch Program (State Share)	15-100010-3360-067	3,345	7/1/14-6/30/15	-	-	2,629	(3,345)	(716)	-	-	-	3,345
Total Enterprise Fund				(501)	-	3,130	(3,345)	(716)	-	-	-	3,345
Total State Financial Assistance				\$ (117,221)	\$ -	\$ 6,969,107	\$ (7,278,569)	\$ (426,683)	\$ -	\$ -	\$ 521,902	\$ 7,278,569
Less: Grants Not Subject to New Jersey OMB Circular 04-04:												
On-Behalf TPAF Pension Contributions	15-495-034-5095-001	329,307	7/1/14-6/30/15				329,307					
On-Behalf TPAF Post-Retirement Medical	15-495-034-5095-001	522,773	7/1/14-6/30/15				522,773					
Total State Financial Assistance subject to New Jersey OMB Circular 04-04							\$ (6,426,489)					

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**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Logan Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements.

**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 with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(7,039) for the general fund and \$0 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**LOGAN TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

**3. Relationship to Basic Financial Statements (continued):**

	<b>State</b>	<b>Total</b>
General Fund	\$6,713,844	\$6,713,844
Special Revenue Fund	36,300	36,300
Capital Projects Fund	324,116	324,116
Debt Service Fund	193,925	193,925
Food Service Fund	<u>3,345</u>	<u>3,345</u>
Total Financial Assistance	<u>\$7,271,530</u>	<u>\$7,271,530</u>

**4. Relationship to State Financial Reports**

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

**5. Other**

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. 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 year ended June 30, 2015.

**Note 6. Federal and State Loans Outstanding**

Logan Township Board of Education had no loan balances outstanding at June 30, 2015.

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance With NJ OMB Circular Letter(s) 04-04 and/or 15-08	None Reported

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
<b>State Aid Cluster:</b>	
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2015**

**Section I – Summary of Auditor’s Results (continued):**

**State Awards (continued):**

**Identification of major programs:**

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
<b>SDA Grant Cluster:</b>	
2750-040-14-G1PK	School Development Authority Grant
2750-040-14-G1PH	School Development Authority Grant
2750-040-14-G1PI	School Development Authority Grant
2750-040-14-G1PJ	School Development Authority Grant

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

**Section III – State Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB’s Circular Letter 04-04 and/or 15-08.

No Current Year Findings

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
For the Fiscal Year Ended June 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings