

MEDFORD TOWNSHIP BOARD OF EDUCATION

Medford, New Jersey
County of Burlington

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MEDFORD TOWNSHIP BOARD OF EDUCATION

MEDFORD, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Medford Township Board of Education
Finance Department**

OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	9
Consultants and Advisors	11
FINANCIAL SECTION	
Independent Auditor's Report	15
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	21
BASIC FINANCIAL STATEMENTS	
A. Government-wide Financial Statements:	
A-1 Statement of Net Position	33
A-2 Statement of Activities	34
B. Fund Financial Statements:	
B-1 Balance Sheet	41
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	42
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	43
Proprietary Funds:	
B-4 Statement of Net Position	47
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	48
B-6 Statement of Cash Flows	49
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	53
B-8 Statement of Changes in Fiduciary Net Position	54
Notes to Financial Statements	57
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	90
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Community Development Block Grants – Budget & Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	97
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	101

(continued)

OUTLINE OF CAFR (continued):

PAGE

REQUIRED SUPPLEMENTARY INFORMATION – PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1.....Schedule of District’s Proportionate Share of the Net Pension Liability - PERS	107
L-2 Schedule of District Contributions – PERS	108
L-3 Schedule of District’s Proportionate Share of the Net Pension Liability - TPAF	109
Notes to the Required Supplementary Information - Part III	113

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures Special Revenue Fund – Budgetary Basis	121
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	127
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	128
F-2a Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Milton Allen Elementary School Security Vestibule	129
F-2b Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Chairville Elementary School Security Vestibule	130
F-2c Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Cranberry Pines Elementary School Security Vestibule	131
F-2d Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Haines Sixth Grade Center Security Vestibule	132
F-2e Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Kirby’s Mill Elementary School Security Vestibule	133
F-2f Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Memorial Middle School Security Vestibule	134
F-2g Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Taunton Forge Elementary School Security Vestibule	135
F-2h Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Memorial Middle School Access Bridge Replacement	136
F-2i Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Memorial Middle School Fire Alarm Replacement	137

(continued)

OUTLINE OF CAFR (continued):

	PAGE
F. Capital Projects Fund (continued):	
F-2j Schedule of Revenues, Expenditures Project Balance & Project Status – Budgetary Basis – Milton Allen Elementary School Cooling Tower Replacement	138
F-2k Schedule of Revenues, Expenditures Project Balance & Project Status – Project Status – Milton Allen Elementary School Skylight Replacement	139
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Comparative Combining Schedule of Net Position	145
G-2 Comparative Combining Schedule of Revenues, Expenses & Changes in in Fund Net Position	146
G-3 Comparative Combining Schedule of Cash Flows	147
Internal Service Fund –	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	153
H-2 Combining Statement of Changes in Fiduciary Net Position	154
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	155
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	155
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	159
I-2 Schedule of Obligations Under Capital Leases	160
I-3 Debt Service Fund Budgetary Comparison Schedule	161
I-4 Schedule of Compensated Absences	162

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	167
J-2 Changes in Net Position	168
J-3 Fund Balances – Governmental Funds	170
J-4 Changes in Fund Balances – Governmental Funds	171
J-5 General Fund Other Local Revenue by Source	172
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	175
J-7 Direct & Overlapping Property Tax Rates	176
J-8 Principal Property Taxpayers	177
J-9 Property Tax Levies & Collections	178

(continued)

OUTLINE OF CAFR (continued):

STATISTICAL SECTION (unaudited) (continued)

	PAGE
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	181
J-11 Ratios of General Bonded Debt Outstanding	182
J-12 Direct & Overlapping Governmental Activities Debt	182
J-13 Legal Debt Margin Information	183
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	187
J-15 Principal Employers	187
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	191
J-17 Operating Statistics	192
J-18 School Building Information	193
J-19 Schedule of Required Maintenance	194
J-20 Insurance Schedule	195
K SINGLE AUDIT SECTION	
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 <i>Government Auditing Standards</i>	199
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 Letter 04-04 and/or 15-08	201
K-3 Schedule of Expenditures of Federal Awards, Schedule A	205
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	206
K-5 Notes to Schedules of Financial Assistance	207
K-6 Schedule of Findings and Questioned Costs	209
K-7 Summary Schedule of Prior Audit Findings	212
	(concluded)

INTRODUCTORY SECTION

This page intentionally left blank



Medford Township Public Schools

137 Hartford Road, Medford, New Jersey 08055
609-654-6416 Fax 609-654-7436

November 19, 2015

Honorable President and
Members of the Board of Education
Township of Medford School District
County of Burlington
Medford, NJ 08055

The comprehensive annual financial report of the Medford Township School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness, and fairness of the representation, including all disclosures, rests with management of the Board of Education (Board). To the best of our knowledge and belief, the data is presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the 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 the 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Government and Non-Profit Organizations", 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 compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, are included in the single audit section of this report.

- 1) Reporting Entity And Its Services: Medford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Medford Township Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 2,736 students, which is 31 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last Ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	2,736.0	-1.120%
2013-2014	2,767.0	-6.108%
2012-2013	2,936.0	-2.556%
2011-2012	3,013.0	-1.836%
2010-2011	3,069.4	-1.562%
2009-2010	3,118.1	1.106%
2008-2009	3,083.0	.0079%
2007-2008	3,059.0	-1.07%
2006-2007	3,092.0	.0012%
2005-2006	3,095.7	1.65%

- 2) Economic Condition And Outlook: Medford Township has adopted a stance on growth, attempting to establish new development at a ratio of 60% commercial and 40% residential. Municipal utilities are taxed at the current time and there is very little sewer capacity available for new growth.

Due to the fiscal crisis at the State level, the State of New Jersey has significantly reduced its financial commitment to the Medford Township Schools and thus, the Medford Township taxpayers have had to bear an increased financial burden since then. In February 2010, the State of New Jersey arbitrarily withheld \$1,647,000 of state funding promised by statute, to the Medford Township Schools. In addition, the State of New Jersey reduced educational funding to the Medford Township Schools by 40% (\$2,300,000) for the 2010-11 fiscal year. Thus, the Medford Township Schools were placed in a situation to reduce thirty-seven (37) staff members and request a tax increase of \$1,580,000 from its residents. The 2010-11 budget was narrowly defeated and was forwarded to the Township Council for resolution. Subsequently, due to the severe economic downturn in the State and the nation, the Medford Township Council reduced the School budget by an additional \$1,000,000. Therefore, in a three month period during 2010, the Medford Township Public Schools lost \$5,000,000 or 11% of its budget. Since then, Medford Township Public Schools has focused on maintaining programs, staff, and initiatives throughout the 11-12 and 12-13 fiscal years. In the 2013-14 and 2014-15 Budgets, the Board embarked on its recovery phase from the losses stated above and hopes to sustain this effort in future years, as well.

The majority of employment for residents is outside of the township creating a sense that Medford is, in many respects, a bedroom community. The Board of Education is one the largest employers in the township, employing a combined 376 full and part-time people.

Medford is primarily a middle-class community with few minorities. Most housing is single-family units, and most are within identified subdivisions. There are relatively few apartments and townhouses, although recent development has included some low income, COAH Housing, with the addition of the Creekside at Medford and Medford Heights Apartments.

It is a family oriented community with many activities being offered under the auspices of the Medford Youth Athletic Association. In addition, each of the subdivisions has its own homeowners association and provides social and recreational activities for the development. In addition, there has been much discussion at the local government level to embark on a new community expansion program that will include a combination of commercial properties, residential single family homes, townhomes and apartments.

- 3) Major Initiatives: The 2014-2015 budget provided for maintenance of the existing curriculum with the following four initiatives: (A) Achieve New Jersey Mandate; (B) Elementary and Middle School Grade Level Literacy Materials; (C) Grades 6-8 Math Common Core revision and implementation; (D) Restoration of 4 Teaching Positions. Continued staff instruction on Inclusion Strategies and a wide variety of topics designed to keep performance high on standardized test scores as our population changes, and new staff members become familiar with the expectations and culture of our town. We continued to improve upon the development of staff training materials and courses to educate all teachers on the use of the Internet throughout curricular areas in spite of significant budgetary reductions. Additionally, in the 2014-2015 school budget, the District completed 11 Capital Projects which received 40% reimbursement from the State of New Jersey. These Capital Projects added security at every school building and addressed some much needed and delayed improvements to various school buildings.
- 4) Internal Accounting Controls: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement 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 voters of the municipality. 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) Financial Information At Fiscal Year End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2015 and the amount and percentages of increase or decrease in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Local Tax Levy	\$42,235,486	78.94%	\$1,336,634	3.27%
Miscellaneous	702,533	1.31%	50,328	7.72%
State Sources	9,784,761	18.29%	948,321	10.73%
Federal Sources	<u>778,493</u>	<u>1.46%</u>	<u>16,165</u>	2.12%
Total	<u>\$53,501,273</u>	<u>100.00%</u>	<u>\$2,351,448</u>	

The increase in state sources was attributed to a increase in SDA Grant Award expenditures in the current year

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2015 including the percentages of increase or decrease in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent Increase (Decrease)</u>
Current Expense:				
Instruction	\$19,620,788	35.89%	\$ 423,205	2.20%
Undistributed Expenditures	28,158,781	51.50%	94,602	0.34%
Capital Outlay	3,493,388	6.39%	1,785,720	104.57%
Special School	71,712	0.13%	13,222	22.61%
Debit Service:				
Principal	2,290,000	4.19%	40,000	1.78%
Interest	<u>1,039,513</u>	<u>1.90%</u>	<u>(104,601)</u>	(9.14%)
Total	<u>\$54,674,181</u>	<u>100.00%</u>	<u>\$2,252,148</u>	

- 8) Debt Administration: At June 30, 2015 the District's outstanding debt issues included \$22,525,000 of general obligation bonds, compensation absence liability of \$1,561,409, net pension liability of \$10,505,332 and \$1,963,953 of Capital Lease obligations.

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

- 10) Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. In addition, the District's long standing participation in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF) has resulted in continued premium savings through enhanced Risk Management emphasis, policies and practices adopted by the JIF.
- 11) Other Information: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirement of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 and/or 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single section of this report.
- 12) Acknowledgements: We would like to express our appreciation to the members of the Medford Township Board of Education for their concern and guidance in providing fiscal accountability to the citizens and taxpayers of the Medford 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.

Respectively submitted,

Joseph J. Del Rossi

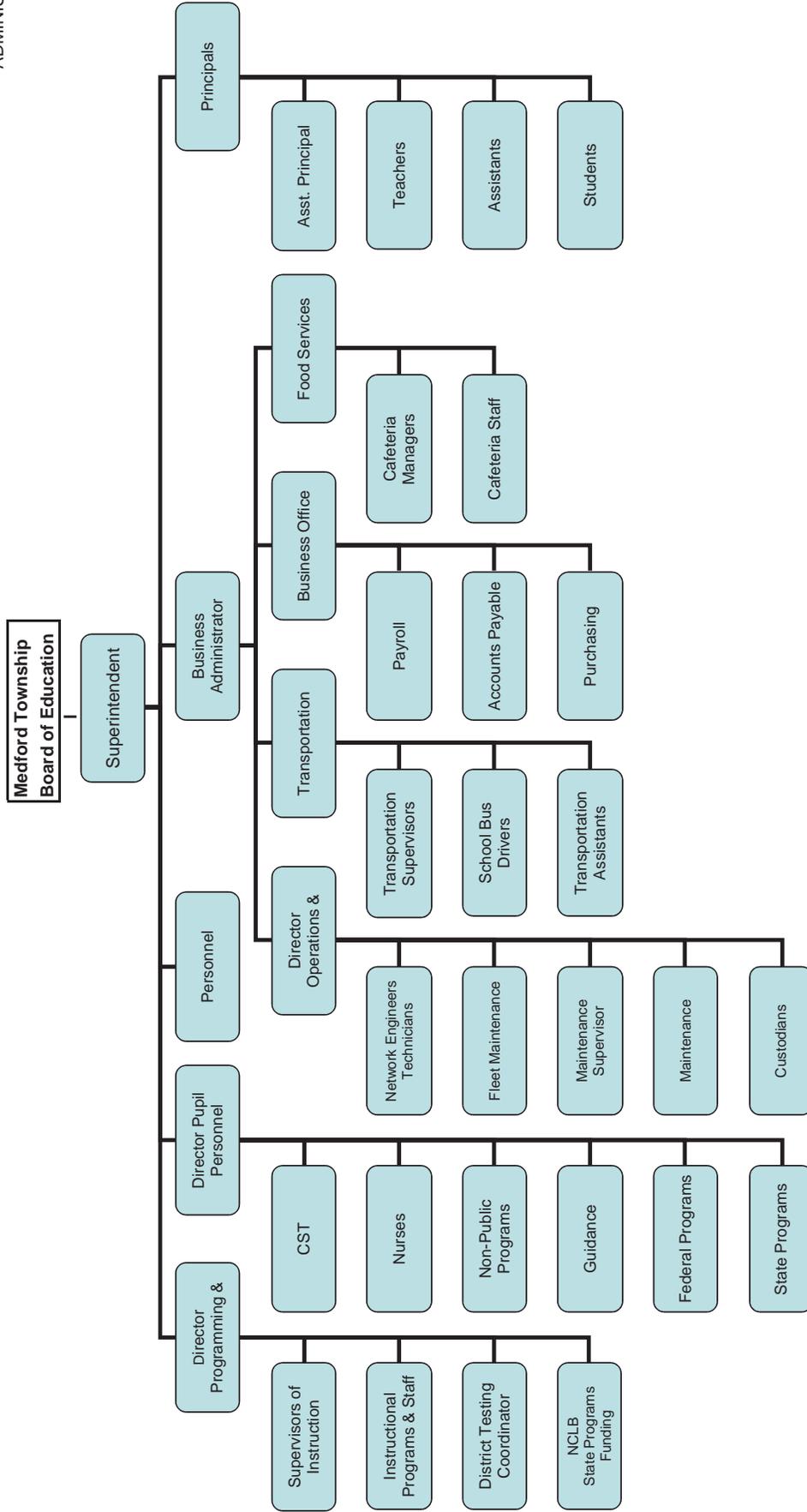
Dr. Joseph J. Del Rossi
Superintendent

Chad Fires

Chad Fires,
Business Administrator/Board Secretary

This page intentionally left blank

1110 ORGANIZATIONAL CHART



This page intentionally left blank

MEDFORD TOWNSHIP BOARD OF EDUCATION
Medford, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Michael Etter, President	2016
Katherine Santamore, Vice President	2017
David Bermingham	2016
Katherine Busca	2016
Kathleen Chang	2015
Janet Law Clancy	2015
Trudy Cole	2017
Amy Duca	2017
Michelle Hammel	2015

OTHER OFFICIALS

Dr. Joseph J. Del Rossi, Superintendent of Schools
Chad Fires, Business Administrator/Board Secretary
N. Janet Cooper, Treasurer
Parker McCay, Solicitor

This page intentionally left blank

MEDFORD TOWNSHIP BOARD OF EDUCATION
Medford, New Jersey

CONSULTANTS AND ADVISORS

AUDIT FIRM

Kevin P. Frenia
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Parker McCay
3 Greetree Center
7001 Lincoln Drive, West
P.O. Box 974
Marlton, New Jersey 08053

OFFICIAL DEPOSITORY

TD Bank
Medford, New Jersey

This page intentionally left blank

FINANCIAL SECTION

This page intentionally left blank



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333

618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612

912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800

795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090

926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Medford Township Board of Education
County of Burlington
Medford, New Jersey 08055

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 Medford Township Board of Education, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 Medford Township Board of Education, County of Burlington, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 Medford 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 19, 2015 on our consideration of the Medford 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 Medford Township Board of Education's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
November 19, 2015

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART I

This page intentionally left blank

MEDFORD TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2015

(UNAUDITED)

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

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

CHANGE IN ACCOUNTING PRINCIPLE

As described in Note 19 to the financial statements, "Restatement of Net Position - 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, 2014 in the amount of \$(10,620,617), as indicated in Note 19 to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

District-wide financial statements

The district-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 (A-1) 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 (A-2) presents information showing how the net position 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.

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

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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

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

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

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

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

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

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools, within the District. The proprietary fund has been included within the business-type activities in the district-wide financial statements.

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

Fiduciary funds

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

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions, and for the District's unemployment trust fund. The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

Notes to the financial statements

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

Other Information

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

FINANCIAL HIGHLIGHTS

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

- The General Fund balance (budgetary basis) increased \$724,362 from \$4,745,257 to \$5,469,619 in 2015. The balance at June 30, 2015 included an amount of \$1,404,418 in excess of the 2% allowable per state mandate.
- General revenues for governmental and business-type activities accounted for \$52,562,982 of all revenues. Specific revenues in the form of charges for services, operating grants & contributions accounted for \$6,184,616 of total revenues of \$58,747,598.
- The General Fund fund balance at June 30, 2015 is \$5,051,981, an increase of \$692,773 when compared with the beginning balance at July 1, 2014 of \$4,359,208.
- The Food Service fund balance at June 30, 2015 is \$136,876 a decrease of \$17,788 when compared with the beginning balance at July 1, 2014 of \$154,664.

District-wide Financial Analysis

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

	Governmental Activities	Business-type Activities	Total
Current & Other Assets	\$ 6,127,083	\$177,919	\$ 6,305,002
Capital Assets, Net	<u>56,361,113</u>	<u>56,967</u>	<u>56,418,080</u>
Total Assets	<u>62,488,196</u>	<u>234,886</u>	<u>62,723,082</u>
Deferred Charges on Refunding of Debt	398,618	-	398,618
Deferred Outflows Related to Pensions	<u>899,479</u>	<u>-</u>	<u>899,479</u>
Total Deferred Outflow of Resources	<u>1,298,097</u>	<u>-</u>	<u>1,298,097</u>
Total Assets & Deferred Outflow Of Resources	<u>63,786,293</u>	<u>234,886</u>	<u>64,021,179</u>

District-wide Financial Analysis (continued):

Long-Term Liabilities Outstanding	34,246,805	-	34,246,805
Other Liabilities	<u>4,188,610</u>	<u>98,010</u>	<u>4,286,620</u>
Total Liabilities	<u>38,435,415</u>	<u>98,010</u>	<u>38,533,425</u>
Deferred Inflows Related to Pensions	<u>626,061</u>	<u>-</u>	<u>626,061</u>
Total Deferred Inflow of Resources	<u>626,061</u>	<u>-</u>	<u>626,061</u>
Total Liabilities & Deferred Inflow Of Resources	<u>39,061,476</u>	<u>98,010</u>	<u>39,159,486</u>
Net Position:			
Net Investment in Capital Assets	32,270,778	56,967	32,327,745
Restricted	2,182,135	-	2,182,135
Unrestricted	<u>(9,728,096)</u>	<u>79,909</u>	<u>(9,648,187)</u>
Total net position	<u>\$ 24,724,817</u>	<u>\$ 136,876</u>	<u>\$ 24,861,693</u>

The District's net position decreased from the previous year by \$9,544,656 due to the accrual of net pension liability in the current year.

The unrestricted net position may be used to meet the District's ongoing obligations to students, employees, and creditors. The unrestricted net position includes the amount of long-term obligations that are not invested in capital assets, such as compensated absences. At the end of the current fiscal year, the District is able to report a positive balance in total net position. The same situation held true for the prior fiscal year.

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

	Governmental Activities	Business-type Activities	Total
Revenues:			
General Revenues:			
Property Taxes	\$ 42,235,486	\$ -	\$ 42,235,486
Federal & State Aid Not Restricted to Specific Purposes	9,624,963	-	9,624,963
Miscellaneous (Includes Interest, Tuition & Facility Rental)	702,533	-	702,533
Charges for Services	-	690,679	690,679
Operating Grants & Contributions	<u>5,321,321</u>	<u>172,616</u>	<u>5,493,937</u>
Total Revenue	<u>57,884,303</u>	<u>863,295</u>	<u>58,747,598</u>

District-wide Financial Analysis (continued):

	Governmental Activities	Business-type Activities	Total
Expenses:			
Instructional Services	19,620,788	-	19,620,788
Support Services/Food Service	18,815,431	881,083	19,696,514
Unallocated Benefits	15,621,007	-	15,621,007
Interest on Long-Term Debt	1,131,442	-	1,131,442
Transfer to Charter Schools	11,840	-	11,840
Special Schools	71,712	-	71,712
Reduction of Capital Leases	(678,582)	-	(678,582)
Unallocated Comp. Absences	(103,086)	-	(103,086)
Unallocated Depreciation	<u>2,300,002</u>	<u>-</u>	<u>2,300,002</u>
 Total Expenses	 <u>56,790,554</u>	 <u>881,083</u>	 <u>57,671,637</u>
 Change in Net Position	 1,093,749	 (17,788)	 1,075,961
Net Position July 1	<u>23,631,068</u>	<u>154,664</u>	<u>23,785,732</u>
 Net Position – Ending	 <u>\$24,724,817</u>	 <u>\$136,876</u>	 <u>\$24,861,693</u>

Financial Analysis of the District’s Funds

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

Governmental Funds

The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. The unreserved fund a balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District’s discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, capital projects fund, debt service fund and permanent fund revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent Increase (Decrease)</u>
Local Sources				
Local Tax Levy	\$42,235,486	78.94%	\$ 1,336,634	3.27%
Miscellaneous	702,533	1.31%	50,328	7.72%
State Sources	9,784,761	18.29%	948,321	10.73%
Federal Sources	<u>778,493</u>	<u>1.46%</u>	<u>16,165</u>	2.12%
 Total	 <u>\$53,501,273</u>	 <u>100.00%</u>	 <u>\$ 2,351,448</u>	

The increase in state sources was specifically due to SDA Grant Award expenditures in the current year.

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

<u>Expenditure</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2014</u>	<u>Percent Increase (Decrease)</u>
Current Expense:				
Instruction	\$19,620,788	35.89%	\$423,205	2.20%
Undistributed Expenditures	28,158,781	51.50%	94,602	0.34%
Capital Outlay	3,493,388	6.39%	1,785,720	104.57%
Special School	71,712	0.13%	13,222	22.61%
Debit Service	<u>3,329,512</u>	<u>6.09%</u>	<u>(64,601)</u>	<u>(1.90%)</u>
Total	<u>\$54,674,181</u>	<u>100.00%</u>	<u>\$ 2,252,148</u>	

General Fund Budgetary 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 modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

While the District's final budget for the general fund anticipated that revenues and expenditures would be equal, the actual results for the year show a deficit.

Proprietary Funds

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

The Food Service Enterprise Fund experienced a decrease change in net position of \$17,788. The food service program continues to be self-sustaining, and does not require any appropriation of funds from the District's general fund budget. It is anticipated that when the economy begins to revive itself, the lunch program will once again, begin to show an increase in profit.

Capital Assets

At June 30, 2015 the District has capital assets of \$56,418,080, net of depreciation, which includes land, building improvements, machinery and equipment, vehicles, and construction in progress.

Capital Assets (continued):

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 5,114,713	\$ -
Construction in Progress	1,760,673	-
Buildings & Improvements	47,845,258	-
Machinery and Equipment	<u>1,640,469</u>	<u>56,967</u>
Total	<u>\$56,361,113.</u>	<u>\$ 56,967</u>

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2015, the District’s outstanding debt issues included \$22,525,000 of general obligation bonds, \$1,963,953 of capital leases; \$10,505,332 of net pension liability and \$1,561,409 in compensated absences payable.

Additional information on the District’s debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Next Year’s Budget

- The District anticipates that the approved 2015-16 budget will be adequate to satisfy all 2015-16 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

Requests for Information

This financial report is designed to provide a general overview of the Medford Township Board of Education’s finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary’s Office, Medford Township Board of Education, 137 Hartford Road, Medford, NJ 08055.

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

A. Government-Wide Financial Statements

This page intentionally left blank

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 4,783,087	\$ 150,855	\$ 4,933,942
Receivables, Net	832,644	10,734	843,378
Inventory		16,330	16,330
Restricted Assets:			
Restricted Cash & Cash Equivalents	511,352	-	511,352
Capital Assets (Note 5):			
Not Being Depreciated	6,875,386	-	6,875,386
Depreciable, Net	49,485,727	56,967	49,542,694
Total Assets	62,488,196	234,886	62,723,082
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charges on Refunding of Debt	398,618	-	398,618
Deferred Outflows Related to Pensions	899,479	-	899,479
Total Deferred Outflow of Resources	1,298,097	-	1,298,097
Total Assets and Deferred Outflow of Resources	63,786,293	234,886	64,021,179
LIABILITIES			
Accounts Payable	1,072,068	65,629	1,137,697
Accrued Interest on Bonds	322,629	-	322,629
Unearned Revenue	3,000	32,381	35,381
PERS Pension Payable	482,024	-	482,024
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,308,889	-	2,308,889
Due Beyond One Year	34,246,805	-	34,246,805
Total Liabilities	38,435,415	98,010	38,533,425
DEFERRED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions	626,061	-	626,061
Total Deferred Inflow of Resources	626,061	-	626,061
Total Liabilities and Deferred Inflow of Resources	39,061,476	98,010	39,159,486
NET POSITION			
Net Investment in Capital Assets	32,270,778	56,967	32,327,745
Restricted For:			
Debt Service	(322,595)	-	(322,595)
Other Purposes	2,504,730	-	2,504,730
Unrestricted	(9,728,096)	79,909	(9,648,187)
Total Net Position	\$ 24,724,817	\$ 136,876	\$ 24,861,693

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

**MEDFORD 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
Governmental Activities:						
Instruction:	\$ 13,812,482	\$ -	748,269	(13,064,213)	\$ -	(13,064,213)
Regular	5,251,205	-	-	(5,251,205)	-	(5,251,205)
Special Education	436,086	-	-	(436,086)	-	(436,086)
Other Instruction	121,015	-	-	(121,015)	-	(121,015)
Other Instruction						
Support Services & Undistributed Costs:						
Tuition	1,486,260	-	-	(1,486,260)	-	(1,486,260)
Attendance & Social Work Services	15,718	-	-	(15,718)	-	(15,718)
Health Services	503,721	-	-	(503,721)	-	(503,721)
Student & Instruction Related Services	2,857,722	-	190,022	(2,667,700)	-	(2,667,700)
Educational Media Services/School Library	481,778	-	-	(481,778)	-	(481,778)
Instructional Staff Training	633,882	-	-	(633,882)	-	(633,882)
School Administrative Services	3,435,720	-	-	(3,435,720)	-	(3,435,720)
Other Administrative Services	883,693	-	-	(883,693)	-	(883,693)
Plant Operations & Maintenance	5,130,625	-	-	(5,130,625)	-	(5,130,625)
Pupil Transportation	3,386,312	-	-	(3,386,312)	-	(3,386,312)
Unallocated Benefits	15,621,007	-	4,383,030	(11,237,977)	-	(11,237,977)
Transfer to Charter Schools	11,840	-	-	(11,840)	-	(11,840)
Long-Term Debt and Other Charges	1,131,442	-	-	(1,131,442)	-	(1,131,442)
Special Schools	71,712	-	-	(71,712)	-	(71,712)
Unallocated Compensated Absences	(103,086)	-	-	103,086	-	103,086
Reduction of Capital Leases	(678,582)	-	-	678,582	-	678,582
Unallocated Depreciation	2,300,002	-	-	(2,300,002)	-	(2,300,002)
Total Governmental Activities	56,790,554	-	5,321,321	(51,469,233)	-	(51,469,233)
Business-Type Activities:						
Food Service	881,083	690,679	172,616	(17,788)	(17,788)	(17,788)
Total Business-Type Activities	881,083	690,679	172,616	(17,788)	(17,788)	(17,788)
Total Primary Government	\$ 57,671,637	\$ 690,679	\$ 5,493,937	(51,469,233)	(17,788)	(51,487,021)

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

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

	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS/PROGRAMS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Taxes:			
Property Taxes, Levied for General Purposes, Net	38,926,028	-	38,926,028
Taxes Levied for Debt Service	3,309,458	-	3,309,458
Federal & State Aid Not Restricted	9,624,963	-	9,624,963
Tuition - From Individuals	87,298	-	87,298
Miscellaneous Income	615,235	-	615,235
Total General Revenues, Special Items, Extraordinary Items & Transfer:	52,562,982	-	52,562,982
Change In Net Position	1,093,749	(17,788)	1,075,961
Net Position - Beginning, as restated (Note 19)	23,631,068	154,664	23,785,732
Net Position - Ending	24,724,817	\$ 136,876	\$ 24,861,693

This page intentionally left blank

B. Fund Financial Statements

This page intentionally left blank

Governmental Funds

This page intentionally left blank

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Assets:					
Cash & Cash Equivalents	\$ 4,401,637	\$ -	\$ 420,725	\$ -	\$ 4,822,362
Due From Other Funds	765,883	2,908	-	88	768,879
Receivables From Other Governments	436,540	50,858	345,246	-	832,644
Restricted Cash & Cash Equivalents	511,352	-	-	-	511,352
Total Assets	\$ 6,115,412	\$ 53,766	\$ 765,971	\$ 88	\$ 6,935,237
Liabilities & Fund Balances:					
Liabilities:					
Cash Defecit	\$ -	\$ 39,221	\$ -	\$ 54	\$ 39,275
Accounts Payable	1,060,523	-	-	-	1,060,523
Intergovernmental - Accounts Payable	-	11,545	-	-	11,545
Interfund Payable	2,908	-	765,971	-	768,879
Unearned Revenue	-	3,000	-	-	3,000
Total Liabilities	1,063,431	53,766	765,971	54	1,883,222
Fund Balances:					
Restricted for:					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	588,960	-	-	-	588,960
Excess Surplus - Current Year	1,404,418	-	-	-	1,404,418
Capital Reserve Account	511,352	-	-	-	511,352
Assigned to:					
Other Purposes	208,916	-	-	-	208,916
Designated by the BOE for Subsequent Year's Expenditures	1,805,121	-	-	-	1,805,121
Debt Service Fund	-	-	-	34	34
Unassigned:					
General Fund	533,214	-	-	-	533,214
Total Fund Balances	5,051,981	-	-	34	5,052,015
Total Liabilities & Fund Balances Balances	\$ 6,115,412	\$ 53,766	\$ 765,971	\$ 88	

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 \$89,581,685 and the accumulated depreciation is \$33,220,572.	56,361,113
Deferred charges on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials.	398,618
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	273,418
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.	(804,653)
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 (see Illustrative Note 7)	(36,555,694)
Net Position of Governmental Activities	\$ 24,724,817

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

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

	GOVERNMENTAL FUND TYPES				TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 38,926,028	\$ -	\$ -	\$ 3,309,458	\$ 42,235,486
Tuition - From Individuals	87,298	-	-	-	87,298
Miscellaneous	615,223	-	12	-	615,235
Total Revenues - Local Sources	39,628,549	-	12	3,309,458	42,938,019
State Sources	9,041,360	159,798	583,603	-	9,784,761
Federal Sources	-	778,493	-	-	778,493
Total Revenues	48,669,909	938,291	583,615	3,309,458	53,501,273
Expenditures:					
Current Expense:					
Instruction	18,872,519	748,269	-	-	19,620,788
Undistributed Expenditures	27,968,759	190,022	-	-	28,158,781
Capital Outlay	1,890,545	-	1,602,843	-	3,493,388
Special Schools	71,712	-	-	-	71,712
Debt Service	-	-	-	3,329,512	3,329,512
Total Expenditures	48,803,535	938,291	1,602,843	3,329,512	54,674,181
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(133,626)	-	(1,019,228)	(20,054)	(1,172,908)
Other Financing Sources/(Uses):					
Operating Transfers (Out)/In	86,062	-	(86,074)	12	-
Transfer to Charter School	(11,840)	-	-	-	(11,840)
Capital Leases (Nonbudget)	752,177	-	-	-	752,177
Total Other Financing Sources/ (Uses)	826,399	-	(86,074)	12	740,337
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	692,773	-	(1,105,302)	(20,042)	(432,571)
Fund Balances July 1	4,359,208	-	1,105,302	20,076	5,484,586
Fund Balances June 30	\$ 5,051,981	\$ -	\$ -	\$ 34	\$ 5,052,015

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

**MEDFORD 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 FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (432,571)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	\$ (2,300,002)	
Capital Outlays	<u>1,607,039</u>	(692,963)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 2,290,000

Amortization of deferred charges on refunding of debt and amortization from refunded gain on early retirement of debt are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Amortization of Loss on Bond Refunding (33,218)

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	462,563	
State Share of Unfunded TPAF Pension Expense	4,383,030	
Unfunded TPAF Pension Expense	(4,383,030)	
Pension Expense	<u>(555,884)</u>	(93,321)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 678,582

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.

Prior year	348,960	
Current Year	<u>(322,629)</u>	26,331

Proceeds from a Capital Lease are reflected as a Funding Source in the Governmental Funds (752,177)

Repayment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 103,086

Change in Net Position of Governmental Activities \$ 1,093,749

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

This page intentionally left blank

Proprietary Funds

This page intentionally left blank

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 150,855
Due from Other Governments	10,734
Inventories	16,330
Total Current Assets	177,919
Capital Assets:	
Furniture, Machinery & Equipment	223,900
Less: Accumulated Depreciation	(166,933)
Total Capital Assets	56,967
Total Assets	234,886
LIABILITIES	
Unearned Revenue	32,381
Accounts Payable	65,629
Total Liabilities	98,010
NET POSITION	
Net Investment in Capital Assets	56,967
Unrestricted	79,909
Total Net Position	\$ 136,876

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

**MEDFORD TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 358,953
Daily Sales - Nonreimbursable Programs	279,713
Special Functions	52,013
Total Operating Revenues	690,679
Operating Expenses:	
Salaries	405,522
Supplies & Materials	52,872
Liability Insurance	12,009
Miscellaneous	6,538
Management Fee	42,000
Depreciation Expense	12,014
Cost of Sales	350,128
Total Operating Expenses	881,083
Operating Income/(Loss)	(190,404)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	7,273
Federal Sources:	
National School Lunch Program	107,423
Special Milk Program	2,127
Healthy Hunger-Free Kids Act	9,493
Food Distribution Program	46,300
Interest Revenue	-
Total Nonoperating Revenues/(Expenses)	172,616
Change in Net Position	(17,788)
Total Net Position - Beginning	154,664
Total Net Position - Ending	\$ 136,876

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

**MEDFORD TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 690,679
Payments to Employees	(351,841)
Payments to Suppliers	(454,911)
	(116,073)
Net Cash Provided/(Used) by Operating Activities	(116,073)
Cash Flows From Noncapital Financing Activities:	
State Sources	7,861
Federal Sources	133,838
	141,699
Net Cash Provided/(Used) by Noncapital Financing Activities	141,699
Cash Flows From Investing Activities:	
Interest Earnings	-
	-
Net Cash Provided/(Used) by Investing Activities	-
Net Increase/(Decrease) in Cash & Cash Equivalents	25,626
Balances - Beginning of Year	125,229
	150,855
Balances - End of Year	\$ 150,855
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Operating Income/(Loss)	\$ (190,404)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Food Distribution Program	46,300
Depreciation & Net Amortization	12,014
Increase/(Decrease) in Prepaid	7,381
(Increase)/Decrease in Inventory	5,390
(Increase)/Decrease in Accounts Payable	3,246
	74,331
Total Adjustments	74,331
Net Cash Provided/(Used) by Operating Activities	\$ (116,073)

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

This page intentionally left blank

Fiduciary Fund

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL AGENCY	JUNE 30, 2015
Cash & Cash Equivalents	\$ 18,539	\$ 12,282	\$ 221,704	\$ 266,528	\$ 519,053
Total Assets	18,539	12,282	221,704	266,528	519,053
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	266,528	266,528
Unemployment Claims Payable	5,508	-	-	-	5,508
Due to Employees - (Section 125 Plan)	-	-	-	-	-
Due to Student Groups	-	-	221,704	-	221,704
Total Liabilities	5,508	-	221,704	266,528	493,740
NET POSITION					
Held in Trust for Unemployment Claims & Other Purposes	13,031	-	-	-	13,031
Reserved for Scholarships	-	12,282	-	-	12,282
Total Net Position	\$ 13,031	\$ 12,282	\$ -	\$ -	\$ 25,313

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

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

ADDITIONS	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	JUNE 30, 2015
Contributions:			
Other	\$ 57,378	\$ -	\$ 57,378
Total Contributions	57,378	-	57,378
Investment Earnings:			
Interest	-	61	61
Net Investment Earnings	-	61	61
Total Additions	57,378	61	57,439
 DEDUCTIONS			
Unemployment Claims	76,734	-	76,734
Scholarships	-	1,100	1,100
Total Deductions	76,734	1,100	77,834
Change in Net Position	(19,356)	(1,039)	(20,395)
Net Position - Beginning of the Year	32,387	13,321	45,708
Net Position - End of the Year	\$ 13,031	\$ 12,282	\$ 25,313

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

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

This page intentionally left blank

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies

The accompanying financial statements of the Medford 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 the more significant accounting policies:

Reporting Entity

The Medford Township Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operations of the District include five elementary schools located in Medford Township. The Medford Township Board of Education has an approximate enrollment at June 30, 2015 of 2,804 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.

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.

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

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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.

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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

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

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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 program 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 does not maintain any 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.

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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 funds:

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 Trust Fund – Revenues consist of contributions and interest income. Expenditures consist of various scholarships awarded 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 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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:

Machinery & Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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

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.

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 November 19, 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 2: Cash and Cash Equivalents

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 \$7,741,569 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$	262,282
Uninsured and uncollateralized		704,277
Collateralized in the District's Name		
Under GUDPA		6,775,010
Total	\$	7,741,569

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 2: Cash and Cash Equivalents (continued):

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

The District did not hold any investments at June 30, 2015.

Note 3: Capital Reserve

A capital reserve account was established by the Medford Township Board of Education by the transfer of \$300,000 from General Fund fund balance in June of 2011 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 appropriate 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 *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 01, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$	509,792
Interest Earnings		1,560
Ending Balance, June 30, 2015	\$	511,352

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	\$ 436,540	\$ 51,197	\$ 345,246	\$ 10,734	\$ 843,717
Total	\$ 436,540	\$ 51,197	\$ 345,246	\$ 10,734	\$ 843,717

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 5: Capital Assets

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

	June 30, 2014	Additions	Transfers/ Adjustments	June 30, 2015
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 5,114,713	\$ -	\$ -	\$ 5,114,713
Construction in progress	157,830	1,602,843	-	1,760,673
	<hr/>			
Total capital assets not being depreciated	5,272,543	1,602,843	-	6,875,386
	<hr/>			
Capital assets being depreciated:				
Land Improvements	21,951,738	-	-	21,951,738
Buildings	52,901,009	-	-	52,901,009
Machinery and equipment	7,849,356	4,196	-	7,853,552
Historical cost	82,702,103	4,196	-	82,706,299
	<hr/>			
Less: accumulated depreciation:				
Land Improvements	(8,683,078)	(806,045)	-	(9,489,123)
Buildings	(16,474,144)	(1,044,222)	-	(17,518,366)
Machinery and equipment	(5,763,348)	(449,735)	-	(6,213,083)
Total accumulated depreciation	(30,920,570)	(2,300,002)	-	(33,220,572)
	<hr/>			
Total capital assets being depreciated, net	51,781,533	(2,295,806)	-	49,485,727
	<hr/>			
Governmental activities capital assets, net	\$ 57,054,076	\$ (692,963)	\$ -	\$ 56,361,113
	<hr/>			
	June 30, 2014	Additions	Transfers/ Adjustments	June 30, 2015
Business-Type Activities:				
Capital assets being depreciated:				
Machinery & Equipment	\$ 223,900	\$ -	\$ -	\$ 223,900
	<hr/>			
Less: accumulated depreciation:				
Equipment	(154,919)	(12,014)	-	(166,933)
	<hr/>			
Business-type activities capital assets, net	\$ 206,941	\$ (12,014)	\$ -	\$ 56,967
	<hr/>			

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 6: Interfund Receivables and Payables

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 765,883	\$ 2,908
Special Revenue Fund	2,908	-
Capital Projects Fund	-	765,971
Debt Service Fund	88	-
	<u>\$ 768,879</u>	<u>\$ 768,879</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 4,585	\$ 765,883
Special Revenue Fund	-	3,332
Capital Projects Fund	765,895	-
Debt Service Fund	-	12
Fiduciary Funds	10,212	11,465
	<u>\$ 780,692</u>	<u>\$ 780,692</u>

The purpose of interfunns transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 7: Long-Term Obligations

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

	June 30, 2014	Issued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Compensated Absences Payable	\$ 1,664,495	\$ -	\$ (103,086)	\$ 1,561,409	\$ -
Capital Lease Payable	1,890,358	752,177	(678,582)	1,963,953	618,889
Bonds Payable	24,815,000	-	(2,290,000)	22,525,000	1,690,000
Net Pension Liability	10,620,617	-	(115,285)	10,505,332	-
Total	<u>\$ 28,369,853</u>	<u>\$ 752,177</u>	<u>\$ (3,186,953)</u>	<u>\$ 36,555,694</u>	<u>\$ 2,308,889</u>

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Long-Term Obligations (continued)

A. 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 Board are general obligation bonds. At June 30, 2015, bonds payable consisted of the following individual issues:

Purpose	Maturities	Interest Rate	Balance
2006 - Refunding Bond Issue	3/1/2016-27	4.5%-5.0%	<u>\$ 22,525,000</u>
Total			<u><u>\$ 22,525,000</u></u>

Principal and Interest due on the outstanding bonds is as follows:

Year-ending June 30,	Principal	Interest	Total
2016	\$ 1,690,000	\$ 928,287	\$ 2,618,287
2017	1,770,000	852,237	2,622,237
2018	1,840,000	781,438	2,621,438
2019	1,880,000	707,838	2,587,838
2020	1,970,000	632,637	2,602,637
2021-2025	9,635,000	1,988,368	11,623,368
2026-2027	3,740,000	239,860	3,979,860
Total	<u>\$ 22,525,000</u>	<u>\$ 6,130,665</u>	<u>\$ 28,655,665</u>

2006 Bond Refunding

\$28,710,000 of Refunding Bonds, Series 2006, dated February 7, 2006 were issued to provide funds to advance refund and redeem on March 1, 2011, \$27,896,000 of School District callable School Bonds, Series 2002, maturing March 1, 2012 through March 1, 2027 and pay costs and expenses related to the issuance. The refunding program will save the School District \$1,350,096 in debt services over the life of the Refunding Bonds. This is the equivalent of \$966,173 in net present value savings or 3.47% of the outstanding principal of the refunded bonds.

2008 Refunding Issue

\$4,380,000 of Refunding Bonds, Series 2008, dated January 24, 2008 were issued to advance refund \$5,745,000 of prior bonds, Series of 1998, dated May 1, 1998. The refunding program will save the

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 7: Long-Term Obligations (continued)

A. Bonds Payable (continued)

School District \$239,775 in debt services over the life of the Refunding Bonds. This is the equivalent of \$209,161 in net present value savings or 3.064% of the outstanding principal of the refunded bonds. The principal balance of these bonds was retired during the current year.

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had no authorized but not issued bonds.

C. Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of three to five years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2015:

Year-ending June 30,	Amount
2016	\$ 656,524
2017	512,609
2018	475,747
2019	<u>403,099</u>
Total Minimum Lease Payments	2,047,979
Less: Amount Representing Interest	<u>(84,026)</u>
Present Value of Lease Payments	<u><u>\$ 1,963,953</u></u>

D. Operating Leases

At June 30, 2015, the School District had operating lease agreements in effect for 19 copiers and the Board of Education building office lease at 137 Hartford Road, Medford, NJ. Total operating lease payments made during the year ended June 30, 2015 was \$379,840. The following is a schedule of the remaining future minimum lease payments under these operating leases.

Year-ending June 30,	Amount
2016	\$ 379,840
2017	<u>379,840</u>
Total Minimum Lease Payments Required	<u><u>\$ 759,680</u></u>

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Plans

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.

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

The 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

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

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.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 482,024	100%	\$ 10,505,332
6/30/2014	462,563	100%	10,620,617
6/30/2013	418,712	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$10,505,332 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 .05611%, which was a decrease of .00054% from its proportion measured as of June 30, 2013.

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

	6/30/2015 July 1, 2014	6/30/2014 July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 899,479	\$ 462,563
Deferred Inflows of Resources	\$ 626,061	N/A
Net Pension Liability	\$ 10,505,332	\$ 10,620,617
District's portion of the Plan's total net pension Liability	0.05611%	0.05557%

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$555,884. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	330,344	-
Net difference between projected and actual earnings on pension plan investments	-	626,061
Changes in proportion and differences between District contributions and proportionate share of contributions	87,111	-
District contributions subsequent to the measurement date	482,024	-
Total	\$ 899,479	\$ 626,061

The \$482,024 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, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>June 30:</u>	<u>PERS</u>
2016	\$	(73,917)
2017		(73,917)
2018		(73,917)
2019		(73,917)
2020		(73,917)
Thereafter		73,866

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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:

<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	100.00%	

**MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 8: Pension Obligations (continued):

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

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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the 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:

	<u>Decrease</u> <u>(4.39%)</u>	<u>Discount</u> <u>(5.39%)</u>	<u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	\$ 13,216,066	\$ 10,505,332	\$ 8,229,006

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/annrpts.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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

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. 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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 2,619,865	100%	\$ -
6/30/2014	2,094,981	100%	-
6/30/2013	2,637,825	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.

	<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 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.

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

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:

<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	<u>0.00%</u>	3.74%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.68% 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. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 8: Pension Obligations (continued):

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

on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining 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.

Defined Contribution Retirement Plan (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 total \$17,905, and the District recognized pension expense of \$9,767, which included \$2,577 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 premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who 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 2015.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not

**MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015**

Note 9: Post-Retirement Benefits (continued):

to exceed thirty years. The State’s contributions to the State Health Benefits Program Fund for TPAF retirees’ post-employment benefits on behalf of the District for the years ended June 30, 2015, 2014, and 2013 were \$1,607,357, \$1,301,315, and \$1,399,844, respectively, which equaled the required contributions for each year. The State’s contributions to the State Health Benefits Program Fund for PERS retirees’ post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

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, 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:

Fiscal Year	District Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014-2015	\$ 57,378	\$ -	\$ 76,734	\$ 13,031
2013-2014	46,542	70	34,636	32,387
2012-2013	34,924	252	81,121	20,411

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.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
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: 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment	American Express
Vanguard Fiduciary	The Equitable

Note 14: 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 specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position 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 \$1,561,409.

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 15: Joint Insurance Fund

The District participates in the Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime and school board legal liability coverage. The District is assessed for the contributions for those funds and is responsible for any reserve deficiencies.

No contingency provision has been made in these financial statements as no deficiencies occurred as of June 30, 2015 for the joint insurance pool.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

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 Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 District has excess fund balance of \$1,404,418 at June 30, 2015.

Note 17: Fund Balance

General Fund – Of the \$5,051,981 General Fund fund balance at June 30, 2015, \$511,352 has been restricted for future capital activity; \$2,394,081 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$1,404,418 is restricted for excess surplus; \$208,916 has been reserved for encumbrances; and \$533,214 is unassigned.

Capital Projects Fund – There was \$0 in Capital Projects Fund fund balance at June 30, 2015.

Debt Service Fund – All of the \$34 in Debt Service Fund fund balance at June 30, 2015 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of \$322,595 at June 30, 2015. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Unrestricted Net Position – The School District had a deficit in unrestricted net position for the Governmental Activities in the amount of \$9,728,096 at June 30, 2015. The primary causes of this deficit includes the District not recognizing the receivable for the last two state aid payments and the recording of long-term liabilities for compensated absences and net pension liability. 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 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 take place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
JUNE 30, 2015

Note 19: Restatement of Net Position

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

	<u>Governmental Activities</u>
Net Position as adjusted for Correction of Error, reported at June 30, 2014	\$ 34,251,685
Prior period adjustment - Implementation of GASB 68:	
Net Pension Liability (measurement date as of June 30, 2013)	(10,620,617)
Deferred Outflows - district contributions made during fiscal year 2015	462,563
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(462,563)</u>
Total prior period adjustment	<u>(10,620,617)</u>
Net Position as restated, July 1, 2014	<u><u>\$ 23,631,068</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 38,926,028	\$ -	\$ 38,926,028	\$ 38,926,028	\$ -
Tuition - From Individuals	10-1310	-	-	-	87,298	87,298
Miscellaneous	10-1XXX	600,000	-	600,000	613,663	13,663
Interest Earned on Capital Reserve	10-1XXX	-	-	-	1,560	1,560
Total Local Sources		39,526,028	-	39,526,028	39,628,549	102,521
State Sources:						
Categorical Special Education Aid	10-313-000-000	1,680,355	-	1,680,355	1,680,355	-
Equalization Aid	10-317-600-000	2,700,883	-	2,700,883	2,700,883	-
Security Aid	10-317-700-000	78,003	-	78,003	78,003	-
Transportation Aid	10-317-700-000	230,547	-	230,547	230,547	-
Non-Public Transportation Aid	10-3xx	-	-	-	21,908	21,908
Extraordinary Aid	10-3190	300,000	-	300,000	347,140	47,140
PARCC Readiness Aid	10-3xx	26,465	-	26,465	26,465	-
Per Pupil Growth Aid	10-3xx	26,465	-	26,465	26,465	-
Nonbudgeted:						
On-Bhalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,607,357	1,607,357
Normal Pension Contributions		-	-	-	1,012,508	1,012,508
Reimbursed TPAF Social Security Contributions		-	-	-	1,341,318	1,341,318
Total State Sources		5,042,718	-	5,042,718	9,072,949	4,030,231
Total Revenues		44,568,746	-	44,568,746	48,701,498	4,132,752
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	11-110-100-101	493,286	34,153	527,439	527,439	-
Grades 1 - 5	11-120-100-101	7,529,437	(248,176)	7,281,261	6,918,352	362,909
Grades 6 - 8	11-130-100-101	4,664,855	(41,364)	4,623,491	4,550,396	73,095
Home Instruction:						
Salaries of Teachers	11-150-100-101	1,000	-	1,000	-	1,000
Regular Programs - Undistributed Instruction:						
Purchased Professional -						
Educational Services	11-190-100-320	94,225	255,396	349,621	347,865	1,756
Other Purchased Services	11-190-100-500	86,490	98,498	184,988	183,490	1,498
General Supplies	11-190-100-610	632,061	(67,930)	564,131	450,378	113,753
Textbooks	11-190-100-640	33,965	5,055	39,020	25,976	13,044
Other Objects	11-190-100-800	112,832	(13,285)	99,547	60,317	39,230
Total Regular Programs		13,648,151	22,347	13,670,498	13,064,213	606,285
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,198,891	(39,588)	1,159,303	928,323	230,980
Purchased Professional -						
Educational Services	11-204-100-320	495,573	2,000	497,573	495,986	1,587
General Supplies	11-204-100-610	2,000	(2,000)	-	-	-
Total Learning and/or Language Disabilities		1,696,464	(39,588)	1,656,876	1,424,309	232,567
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	511,634	20,112	531,746	531,746	-
Purchased Professional -						
Educational Services	11-212-100-320	359,743	-	359,743	359,743	-
Total Multiple Disabilities:		871,377	20,112	891,489	891,489	-

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Resource Room:						
Salaries of Teachers	11-213-100-101	1,598,748	(13,617)	1,585,131	1,460,176	124,955.00
Purchased Professional - Educational Services	11-213-100-320	1,239,587	157,659	1,397,246	1,165,194	232,052
General Supplies	11-213-000-610	6,600	(1,400)	5,200	1,627	3,573
Total Resource Room		2,844,935	142,642	2,987,577	2,626,997	360,580
Preschool Handicapped - Part-Time:						
Salaries of Teachers	11-215-100-101	199,207	(12,006)	187,201	176,678	10,523
Purchased Professional - Educational Services	11-215-100-320	130,482	-	130,482	130,482	-
General Supplies	11-215-100-600	2,000	-	2,000	650	1,350
Other Objects	11-215-100-800	1,000	-	1,000	600	400
Total Preschool Handicapped -Part-Time		332,689	(12,006)	320,683	308,410	12,273
Total Special Education		5,745,465	111,160	5,856,625	5,251,205	605,420
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	430,055	19,558	449,613	430,363	19,250
General Supplies	11-230-100-610	8,650	392	9,042	5,723	3,319
Total Basic Skills/Remedial		438,705	19,950	458,655	436,086	22,569
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	33,928	36,911	70,839	68,919	1,920
Supplies and Materials	11-401-100-600	2,500	-	2,500	1,142	1,358
Total School Sponsored Cocurricular Activities		36,428	36,911	73,339	70,061	3,278
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	10,360	21,253	31,613	31,613	-
Purchased Services	11-402-100-500	10,000	-	10,000	9,170	830
Supplies and Materials	11-402-100-600	7,000	-	7,000	6,671	329
Total School Sponsored Athletics - Instruction		27,360	21,253	48,613	47,454	1,159
Other Instructional Programs						
Salaries	11-4xx-100-100	15,614	(960)	14,654	-	14,654
Supplies and Materials	11-4xx-100-600	3,500	-	3,500	3,500	-
Total Other Instructional Programs		19,114	(960)	18,154	3,500	14,654
Total - Instruction		19,915,223	210,661	20,125,884	18,872,519	1,253,365
Undistributed Expenditures:						
Tuition						
Tuition to Other LEA'S Within State - Special	11-000-100-562	86,606	108,450	195,056	194,836	220
Tuition to CSSD & Regular Day Schools	11-000-100-565	694,263	(76,528)	617,735	593,807	23,928
Tuition to Private School for Handicapped - State	11-000-100-566	495,249	154,685	649,934	575,466	74,468
Tuition to Private School for Handicapped - Outside State	11-000-100-567	38,000	3,000	41,000	39,651	1,349
Tuition - Other	11-000-100-569	25,000	57,500	82,500	82,500	-
Total Tuition		1,339,118	247,107	1,586,225	1,486,260	99,965
Attendance & Social Work Services:						
Salaries	11-000-211-100	15,811	-	15,811	15,718	93
Total Attendance & Social Work Services		15,811	-	15,811	15,718	93

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Health Services:						
Salaries	11-000-213-100	489,304	8,333	497,637	497,636	1
Purchased Professional & Technical Services	11-000-213-300	600	-	600	595	5
Other Purchased Services	11-000-213-500	500	50	550	525	25
Supplies and Materials	11-000-213-600	10,000	(2,177)	7,823	4,965	2,858
Total Health Services		500,404	6,206	506,610	503,721	2,889
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	589,213	-	589,213	545,013	44,200
Purchased Technical Services	11-000-216-320	595,000	10,122	605,122	473,390	131,732
Supplies and Materials	11-000-216-600	4,000	130	4,130	4,031	99
Other Objects	11-000-216-800	2,000	-	2,000	63	1,937
Total Other Support Services - Students - Related Services		1,190,213	10,252	1,200,465	1,022,497	177,968
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	577,923	8,355	586,278	586,277	1
Other Purchased Professional & Technical Services	11-000-218-390	9,500	(8,169)	1,331	480	851
Other Purchased Services	11-000-218-500	2,000	(1,530)	470	299	171
Supplies and Materials	11-000-218-600	16,600	(5,000)	11,600	6,521	5,079
Total Other Support Services - Students - Special Services		606,023	(6,344)	599,679	593,577	6,102
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,079,912	8,125	1,088,037	1,004,618	83,419
Other Purchased Educational Services	11-000-219-320	71,500	(4,585)	66,915	21,444	45,471
Supplies and Materials	11-000-219-600	25,000	3,253	28,253	25,564	2,689
Total Other Support Services - Students - Special Services		1,176,412	6,793	1,183,205	1,051,626	131,579
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	477,016	33,583	510,599	510,598	1
Other Salaries	11-000-221-109	43,110	(43,091)	19	-	19
Other Purchased Educational Services	11-000-221-320	89,790	18,966	108,756	108,756	-
Other Purchased Services	11-000-221-500	19,650	(5,397)	14,253	10,592	3,661
Total Improvement of Instruction Services/Other Support Services Instructional Staff		629,566	4,061	633,627	629,946	3,681
Educational Media Services/School Library:						
Salaries	11-000-222-100	508,066	-	508,066	425,982	82,084
Supplies and Materials	11-000-222-600	63,825	(4,477)	59,348	55,796	3,552
Total Educational Media Services/School Library		571,891	(4,477)	567,414	481,778	85,636

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	28,250	(7,818)	20,432	3,936	16,496
Total Instructional Staff Training Services		28,250	(7,818)	20,432	3,936	16,496
Support Services General Administration:						
Salaries	11-000-230-100	320,435	-	320,435	290,366	30,069
Legal Services	11-000-230-331	45,000	34,286	79,286	73,056	6,230
Audit fees	11-000-230-332	30,000	(1,585)	28,415	28,415	-
Architectural/Engineering Services	11-000-230-334	10,000	30,000	40,000	35,893	4,107
Other Purchased Professional Services	11-000-230-339	32,000	18,780	50,780	36,979	13,801
Communications/Telephone	11-000-230-530	208,000	(48,200)	159,800	157,274	2,526
Travel	11-000-230-585	1,000	-	1,000	-	1,000
Other Purchased Services	11-000-230-590	89,459	-	89,459	84,516	4,943
Supplies and Materials	11-000-230-610	25,000	(6,630)	18,370	14,040	4,330
In House Training Supplies	11-000-230-630	1,325	-	1,325	318	1,007
Miscellaneous Expenditures	11-000-230-890	27,000	(4,423)	22,577	8,459	14,118
BOE Membership Dues	11-000-230-895	25,000	(79)	24,921	21,947	2,974
Total Support Services General Administration		814,219	22,149	836,368	751,263	85,105
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	939,089	38,115	977,204	977,204	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	787,669	38,997	826,666	826,665	1
Purchased Professional & Technical Services	11-000-240-300	10,000	(700)	9,300	7,009	2,291
Lease Purchase	11-000-240-440	-	75,798	75,798	10,000	65,798
Other Purchased Services	11-000-240-500	95,750	(67,850)	27,900	7,138	20,762
General Supplies	11-000-240-600	84,390	(11,112)	73,278	62,780	10,498
Other Objects	11-000-240-800	10,450	(1,080)	9,370	8,682	688
Total Support Services School Administration		1,927,348	72,168	1,999,516	1,899,478	100,038
Central Services:						
Salaries	11-000-251-100	545,899	(4,013)	541,886	539,242	2,644
Purchased Professional Services	11-000-251-330	10,965	114,503	125,468	29,549	95,919
Purchased Technical Services	11-000-251-340	3,500	(3,500)	-	-	-
Other Purchased Services	11-000-251-592	10,000	(1,860)	8,140	3,476	4,664
General Supplies	11-000-251-600	53,350	(13,950)	39,400	11,668	27,732
Miscellaneous Expenditures	11-000-251-890	7,575	-	7,575	2,927	4,648
Total Central Services		631,289	91,180	722,469	586,862	135,607
Administrative Information Technology:						
Salaries	11-000-252-100	232,233	5,500	237,733	220,948	16,785
Purchased Technical Services	11-000-252-340	10,000	2,820	12,820	9,940	2,880
Other Purchased Services	11-000-252-500	55,000	(2,820)	52,180	49,700	2,480
General Supplies	11-000-252-600	25,000	11	25,011	16,243	8,768
Total Administrative Information Technology		322,233	5,511	327,744	296,831	30,913
Maintenance for School Facilities:						
Salaries	11-000-261-100	354,079	32,733	386,812	374,180	12,632
Cleaning, Repair & Maintenance	11-000-261-420	326,500	(326,500)	-	-	-
General Supplies	11-000-261-610	214,500	314,338	528,838	441,313	87,525
Total Maintenance for School Facilities		895,079	20,571	915,650	815,493	100,157

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Custodial Services:						
Salaries	11-000-262-100	1,122,067	9,179	1,131,246	1,065,174	66,072
Cleaning, Repair & Maintenance Services	11-000-262-420	270,320	13,203	283,523	197,971	85,552
Other Purchased Property Services	11-000-262-490	138,000	6,900	144,900	144,863	37
Insurance	11-000-262-520	61,715	-	61,715	61,715	-
Miscellaneous Purchased Services	11-000-262-590	593,210	-	593,210	593,210	-
General Supplies	11-000-262-610	40,000	(1,306)	38,694	31,186	7,508
Energy (Heat & Electricity)	11-000-262-622	710,000	158,765	868,765	792,120	76,645
Energy (Natural Gas)	11-000-262-621	125,000	(125,000)	-	-	-
Other Objects	11-000-262-800	5,000	5,000	10,000	8,790	1,210
Total Custodial Services		3,065,312	66,741	3,132,053	2,895,029	237,024
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	62,552	(62,552)	-	-	-
Cleaning, Repair & Maintenance Services	11-000-263-420	200,000	91,052	291,052	225,118	65,934
Total Care & Upkeep of Grounds		262,552	28,500	291,052	225,118	65,934
Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	125,000	46,855	171,855	166,600	5,255
General Supplies	11-000-266-610	25,000	(11,500)	13,500	12,058	1,442
Total Security		150,000	35,355	185,355	178,658	6,697
Total Other Operating & Maintenance of Plant Services		4,372,943	151,167	4,524,110	4,114,298	409,812
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,299,613	60,648	1,360,261	1,352,529	7,732
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	239,331	(27,600)	211,731	168,926	42,805
Salaries for Pupil Transportation - (Other than Home & School)	11-000-270-162	101,000	(20,117)	80,883	378	80,505
Purchased Professional & Technical Services	11-000-270-390	40,000	18,069	58,069	53,515	4,554
Lease Purchase Payments - Buses	11-000-270-443	193,000	(46,815)	146,185	142,526	3,659
Contracted Services ESC & CTSA	11-000-270-503	201,095	49,291	250,386	248,074	2,312
Miscellaneous Purchased Services	11-000-270-593	325,986	(22,291)	303,695	277,052	26,643
Transportation Supplies	11-000-270-615	580,510	(37,222)	543,288	340,437	202,851
Miscellaneous Expenditures	11-000-270-800	3,300	-	3,300	2,875	425
Total Student Transportation Services		2,983,835	(26,037)	2,957,798	2,586,312	371,486
Student Transportation Services - Employee Benefits:						
Health Benefits	11-000-270-270	800,000	-	800,000	800,000	-
Total Student Transportation Services - Employee Benefits		800,000	-	800,000	800,000	-

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	485,000	30,696	515,696	515,696	-
Other Retirement Contributions						
PERS	11-000-291-241	500,000	67,174	567,174	519,423	47,751
Unemployment Compensation	11-000-291-250	176,279	(176,279)	-	-	-
Workmen's Compensation	11-000-291-260	290,515	-	290,515	259,999	30,516
Health Benefits	11-000-291-270	6,119,614	(407,933)	5,711,681	5,578,471	133,210
Tuition Reimbursement	11-000-291-280	87,152	(31,051)	56,101	56,101	-
Other Employee Benefits	11-000-291-290	234,175	34,633	268,808	253,783	15,025
Total Unallocated Benefits		7,892,735	(482,760)	7,409,975	7,183,473	226,502
Nonbudgeted:						
On-Bhalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	1,607,357	(1,607,357)
Normal Pension Contributions		-	-	-	1,012,508	(1,012,508)
Reimbursed TPAF Social Security Contributions		-	-	-	1,341,318	(1,341,318)
Total Undistributed Expenditures		25,802,290	89,158	25,891,448	27,968,759	(2,077,311)
Total Expenditures - Current Expense		45,717,513	299,819	46,017,332	46,841,278	(823,946)
Equipment:						
Grade 6 - 8	12-130-100-730	-	12,130	12,130	12,130	-
Undistributed Expenditures:						
Instruction	12-000-100-730	2,500	9,500	12,000	12,000	-
Administration Technology	12-000-252-730	130,000	15,043	145,043	145,043	-
Required Maintenance for School						
Facilities	12-000-261-730	15,000	55,957	70,957	63,907	7,050
Custodial Services	12-000-262-730	71,000	(71,000)	-	-	-
Student Transportation - Noninstructional						
Equipment	12-000-270-732	5,000	-	5,000	-	5,000
Total Equipment		223,500	21,630	245,130	233,080	12,050
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	15,000	-	15,000	15,000	-
Land & Improvement	12-000-400-710	33,000	(12,734)	20,266	20,266	-
Lease Purchase Agreement Principal	12-000-400-721	780,000	(5,066)	774,934	767,179	7,755
Buildings Other Than Lease Purchase						
Agreement	12-000-400-722	-	17,800	17,800	17,800	-
Assesment for Debt service						
On SDA funding	12-000-400-896	85,043	-	85,043	85,043	-
Total Facilities Acquisition & Construction Services		913,043	-	913,043	905,288	7,755
Total Capital Outlay		1,136,543	21,630	1,158,173	1,138,368	19,805
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Instructional Equipment		-	-	-	752,177	(752,177)
Total Assets Acquired Under Capital Leases/ (Nonbudgeted)		-	-	-	752,177	(752,177)

**MEDFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	ACCOUNT NUMBER	JUNE 30, 2015			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Schools:						
Summer School - Instruction:						
Salaries of Teachers	13-422-100-101	68,800	(6,800)	62,000	52,920	9,080
Purchased Professional & Technical Services	13-422-100-300	18,490	-	18,490	18,490	-
General Supplies	13-422-100-610	3,400	-	3,400	302	3,098
Total Summer School - Instruction		<u>90,690</u>	<u>(6,800)</u>	<u>83,890</u>	<u>71,712</u>	<u>12,178</u>
Total Expenditures		<u>46,944,746</u>	<u>314,649</u>	<u>47,259,395</u>	<u>48,803,535</u>	<u>(1,544,140)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		<u>(2,376,000)</u>	<u>(314,649)</u>	<u>(2,690,649)</u>	<u>(102,037)</u>	<u>2,588,612</u>
Other Financing Sources/(Uses):						
Transfer from Capital Projects		-	-	-	86,062	86,062
Transfer to Charter Schools		-	(11,840)	(11,840)	(11,840)	-
Capital Leases (Nonbudgeted)		-	-	-	752,177	752,177
Total Other Financing Sources/(Uses)		<u>-</u>	<u>(11,840)</u>	<u>(11,840)</u>	<u>826,399</u>	<u>838,239</u>
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		<u>(2,376,000)</u>	<u>(326,489)</u>	<u>(2,702,489)</u>	<u>724,362</u>	<u>3,426,851</u>
Fund Balances, July 1		<u>4,745,257</u>	<u>-</u>	<u>4,745,257</u>	<u>4,745,257</u>	<u>-</u>
Fund Balances, June 30		<u>\$ 2,369,257</u>	<u>\$ (326,489)</u>	<u>\$ 2,042,768</u>	<u>\$ 5,469,619</u>	<u>\$ 3,426,851</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	<u>326,489</u>
Total Budget Transfers	<u>\$ 326,489</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Excess Surplus	\$ 1,404,418
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	588,960
Capital Reserve	511,352
Assigned Fund Balance:	
Reserve for Encumbrances	208,916
Designated for Subsequent Year's Expenditures	1,805,121
Unassigned Fund Balance	<u>950,852</u>
Subtotal	5,469,619
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(417,638)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,051,981</u>

**MEDFORD 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
REVENUES				
State Sources	\$ 145,862	\$ 25,819	\$ 171,681	\$ 159,798
Federal Sources	568,658	221,197	789,855	778,493
Total Revenues	714,520	247,016	961,536	938,291
EXPENDITURES:				
Instruction:				
Salaries of Teachers	83,499	(8,853)	74,646	74,646
Purchased Professional & Technical Services	59,728	42,931	102,659	97,064
Purchased Professional - Educational Services	3,344	16,596	19,940	19,046
Tuition	363,027	135,575	498,602	490,557
General Supplies	8,527	35,652	44,179	43,839
Textbooks	20,396	2,721	23,117	23,117
Total Instruction	538,521	224,622	763,143	748,269
Support Services:				
Purchased Professional - Educational Services	145,999	10,711	156,710	148,339
Personal Services - Employee Benefits	-	9,946	9,946	9,946
Other Purchased Services (400-500 Series)	-	600	600	600
Supplies & Materials	30,000	1,137	31,137	31,137
Total Support Services	175,999	22,394	198,393	190,022
Total Expenditures	714,520	247,016	961,536	938,291
Total Outflows	714,520	247,016	961,536	938,291
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -
				23,245

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR 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
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 48,701,498	\$ 938,291
Difference - Budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(417,638)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	386,049	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 48,669,909</u>	<u>\$ 938,291</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	<u>\$ 48,803,535</u>	<u>\$ 938,291</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 48,803,535</u>	<u>\$ 938,291</u>

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank.

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

This page intentionally left blank.

MEDFORD 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)	0.05611%	0.05557%
District's proportionate share of the net pension liability (asset)	\$ 10,505,332	\$ 10,620,617
District's covered-employee payroll	\$ 3,729,825	\$ 3,777,913
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	281.66%	281.12%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

**MEDFORD 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	\$ 519,423	\$ 549,455
Contributions in relation to the contractually required contribution	<u>519,423</u>	<u>549,455</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,729,825	\$ 3,777,913
Contributions as a percentage of covered- employee payroll	13.93%	14.54%

MEDFORD 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)	0.18761%	0.19159%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 100,271,313	\$ 96,829,050
District's covered-employee payroll	\$ 19,123,833	\$ 19,278,396
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 page intentionally left blank.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank.

MEDFORD 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.

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

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

	TITLE I	TITLE II PART A	I.D.E.A. PART B BASIC REGULAR PROGRAM	I.D.E.A. PRESCHOOL
Revenues:				
Federal Sources	\$ 78,579	\$ 58,659	\$ 616,596	\$ 24,659
Total Revenues	<u>\$ 78,579</u>	<u>\$ 58,659</u>	<u>\$ 616,596</u>	<u>\$ 24,659</u>
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ 38,254	\$ -	\$ -
Purchased Professional & Technical Services	24,975	-	-	-
General Supplies	43,504	-	-	-
Tuition	-	-	465,898	24,659
Total Instruction	<u>68,479</u>	<u>38,254</u>	<u>465,898</u>	<u>24,659</u>
Support Services:				
Purchased Professional Educational Services	9,600	9,000	120,920	-
Personal Services - Employee Benefits	-	9,946	-	-
Other Purchased Services	-	600	-	-
Supplies and Materials	500	859	29,778	-
Total Support Services	<u>10,100</u>	<u>20,405</u>	<u>150,698</u>	<u>-</u>
Total Expenditures	<u>\$ 78,579</u>	<u>\$ 58,659</u>	<u>\$ 616,596</u>	<u>\$ 24,659</u>

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

	NJ NONPUBLIC HANDICAPPED SERVICES CH 193			NONPUBLIC AUXILIARY CH 192
	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTARY INSTRUCTION	COMPENSATORY EDUCATION
Revenues:				
State Sources	\$ 8,819	\$ 22,794	\$ 12,398	\$ 43,357
Total Revenues	\$ 8,819	\$ 22,794	\$ 12,398	\$ 43,357
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 36,392
Purchased Professional & Technical Services	-	22,794	12,398	-
Purchased Professional Educational Services	-	-	-	6,630
General Supplies	-	-	-	335
Total Instruction	-	22,794	12,398	43,357
Support Services:				
Purchased Professional Educational Services	8,819	-	-	-
Total Support Services	8,819	-	-	-
Total Expenditures	\$ 8,819	\$ 22,794	\$ 12,398	\$ 43,357

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

	NONPUBLIC NURSING PROGRAM	NONPUBLIC TEXTBOOKS PROGRAM	NONPUBLIC TECHNOLOGY PROGRAM	TOTALS
Revenues:				
State Sources	\$ 36,897	\$ 23,117	\$ 12,416	\$ 159,798
Federal Sources	-	-	-	778,493
Total Revenues	36,897	23,117	12,416	938,291
Expenditures:				
Instruction:				
Salaries of Teachers	\$ -	\$ -	\$ -	\$ 74,646
Purchased Professional & Technical Services	36,897	-	-	97,064
Purchased Professional Educational Services	-	-	12,416	19,046
General Supplies	-	-	-	43,839
Tuition	-	-	-	490,557
Textbooks	-	23,117	-	23,117
Total Instruction	36,897	23,117	12,416	748,269
Support Services:				
Purchased Professional Educational Services	-	-	-	148,339
Personal Services - Employee Benefits	-	-	-	9,946
Other Purchased Services	-	-	-	600
Supplies and Materials	-	-	-	31,137
Total Support Services	-	-	-	190,022
Total Expenditures	\$ 36,897	\$ 23,117	\$ 12,416	\$ 938,291

This page intentionally left blank

F. Capital Projects Fund

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2015
		PRIOR YEARS	CURRENT YEAR	
Milton Allen Elementary School: Security Vestibule	\$ 92,105	\$ 4,992	\$ 80,911	\$ 6,202
Chairville Elementary School: Security Vestibule	69,830	4,992	64,838	-
Cranberry Pines Elementary School: Security Vestibule	94,580	4,992	89,588	-
Haines Sixth Grade Center: Security Vestibule	57,180	4,992	52,188	-
Kirby's Mill Elementary School: Security Vestibule	67,960	4,992	62,968	-
Memorial Middle School: Security Vestibule	94,580	4,992	89,588	-
Taunton Forge Elementary School: Security Vestibule	103,050	4,992	98,058	-
Memorial Middle School: Access Bridge Replacement	291,118	14,850	274,806	1,462
Memorial Middle School: Fire Alarm Replacement	616,558	67,925	532,980	15,653
Milton Allen Elementary School: Cooling Tower Replacement	158,910	15,431	138,606	4,873
Milton Allen Elementary School: Skylight Replacement	233,950	24,680	204,374	4,896
	<u>\$ 1,879,821</u>	<u>\$ 157,830</u>	<u>\$ 1,688,905</u>	<u>\$ 33,086</u>

Reconciliation of Fund Balance, June 30, 2015

Unexpended Project Balances, June 30, 2015	\$ 33,086
Less:	
Unexpended State Aid - ROD Grants	<u>(33,086)</u>
Total Fund Balance (GAAP Basis) - June 30, 2015	<u>\$ -</u>

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

Revenues & Other Financing Sources:	
Interest Earnings & Transfers	\$ 12
	<hr/>
Total Revenues	12
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	93,301
Construction Services	1,509,542
	<hr/>
Total Expenditures	1,602,843
	<hr/>
Other Financing Sources/(Uses):	
Operating Transfers Out - Interest Due to Debt Service Fund	(12)
Operating Transfers Out - General Fund	(86,062)
	<hr/>
Total Other Financing Sources/(Uses):	(86,074)
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,688,905)
Fund Balance - Beginning	1,721,991
	<hr/>
Fund Balance - Ending	\$ 33,086
	<hr/> <hr/>

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 36,842	\$ -	\$ 36,842	\$ 36,842
Lease Purchase Proceeds	55,263	-	55,263	55,263
Total Revenues	92,105	-	92,105	92,105
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,937
Construction Services	-	68,922	68,922	81,168
Total Expenditures	4,992	71,608	76,600	92,105
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(9,303)	(9,303)	-
Total Other Financing Sources/(Uses)	-	(9,303)	(9,303)	-
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	\$ 87,113	\$ (80,911)	\$ 6,202	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1013-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$156,000
Revised Authorized Cost	\$92,105
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
CHAIRVILLE ELEMENTARY SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 22,880	\$ -	\$ 22,880	\$ 22,880
Lease Purchase Proceeds	46,950	-	46,950	46,950
Total Revenues	69,830	-	69,830	69,830
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,937
Construction Services	-	58,555	58,555	58,893
Total Expenditures	4,992	61,241	66,233	69,830
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(3,597)	(3,597)	-
Total Other Financing Sources/(Uses)	-	(3,597)	(3,597)	-
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	\$ 64,838	\$ (64,838)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-030-14-1001-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$57,200
Revised Authorized Cost	\$69,830
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
CRANBERRY PINES ELEMENTARY SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 18,328	\$ -	\$ 18,328	\$ 18,328
Lease Purchase Proceeds	76,252	-	76,252	76,252
Total Revenues	94,580	-	94,580	94,580
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,937
Construction Services	-	81,413	81,413	83,643
Total Expenditures	4,992	84,099	89,091	94,580
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(5,489)	(5,489)	-
Total Other Financing Sources/(Uses)	-	(5,489)	(5,489)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 89,588	\$ (89,588)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-040-14-1004-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$45,818
Revised Authorized Cost	\$94,580
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HAINES SIXTH GRADE CENTER
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 18,327	\$ -	\$ 18,327	\$ 18,327
Lease Purchase Proceeds	38,853	-	38,853	38,853
Total Revenues	57,180	-	57,180	57,180
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,687	7,679	10,938
Construction Services	-	46,265	46,265	46,242
Total Expenditures	4,992	48,952	53,944	57,180
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(3,236)	(3,236)	-
Total Other Financing Sources/(Uses)	-	(3,236)	(3,236)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 52,188	\$ (52,188)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-050-14-1005-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$45,818
Revised Authorized Cost	\$57,180
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
KIRBY'S MILL ELEMENTARY SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 22,880	\$ -	\$ 22,880	\$ 22,880
Lease Purchase Proceeds	45,080	-	45,080	45,080
Total Revenues	67,960	-	67,960	67,960
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,383
Construction Services	-	57,577	57,577	57,577
Total Expenditures	4,992	60,263	65,255	67,960
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(2,705)	(2,705)	-
Total Other Financing Sources/(Uses)	-	(2,705)	(2,705)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 62,968	\$ (62,968)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-045-14-1002-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$57,200
Revised Authorized Cost	\$67,960
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MEMORIAL MIDDLE SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 22,880	\$ -	\$ 22,880	\$ 22,880
Lease Purchase Proceeds	71,700	-	71,700	71,700
Total Revenues	94,580	-	94,580	94,580
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,937
Construction Services	-	82,566	82,566	83,643
Total Expenditures	4,992	85,252	90,244	94,580
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(4,336)	(4,336)	-
Total Other Financing Sources/(Uses)	-	(4,336)	(4,336)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 89,588	\$ (89,588)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-055-14-1007-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$57,200
Revised Authorized Cost	\$94,580
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
TAUNTON FORGE ELEMENTARY SCHOOL
SECURITY VESTIBULE
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 18,180	\$ -	\$ 18,180	\$ 18,180
Lease Purchase Proceeds	84,870	-	84,870	84,870
Total Revenues	103,050	-	103,050	103,050
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,992	2,686	7,678	10,937
Construction Services	-	88,814	88,814	92,113
Total Expenditures	4,992	91,500	96,492	103,050
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(6,558)	(6,558)	-
Total Other Financing Sources/(Uses)	-	(6,558)	(6,558)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 98,058	\$ (98,058)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-070-14-1014-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$45,450
Revised Authorized Cost	\$103,050
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MEMORIAL MIDDLE SCHOOL
ACCESS BRIDGE REPLACEMENT
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 116,447	\$ -	\$ 116,447	\$ 116,447
Lease Purchase Proceeds	174,671	-	174,671	174,671
Total Revenues	291,118	-	291,118	291,118
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	14,850	17,102	31,952	31,952
Construction Services	-	255,043	255,043	259,166
Total Expenditures	14,850	272,145	286,995	291,118
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(2,661)	(2,661)	-
Total Other Financing Sources/(Uses)	-	(2,661)	(2,661)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 276,268	\$ (274,806)	\$ 1,462	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-055-14-1009-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$520,000
Revised Authorized Cost	\$291,118
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MEMORIAL MIDDLE SCHOOL
FIRE ALARM REPLACEMENT
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 245,913	\$ -	\$ 245,913	\$ 245,913
Lease Purchase Proceeds	370,645	-	370,645	370,645
Total Revenues	616,558	-	616,558	616,558
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	67,925	36,575	104,500	141,075
Construction Services	-	471,152	471,152	475,483
Total Expenditures	67,925	507,727	575,652	616,558
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(25,253)	(25,253)	-
Total Other Financing Sources/(Uses)	-	(25,253)	(25,253)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 548,633	\$ (532,980)	\$ 15,653	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-055-14-1008-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$1,197,000
Revised Authorized Cost	\$616,558
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
COOLING TOWER REPLACEMENT
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 63,564	\$ -	\$ 63,564	\$ 63,564
Lease Purchase Proceeds	95,346	-	95,346	95,346
Total Revenues	158,910	-	158,910	158,910
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	15,431	8,000	23,431	31,265
Construction Services	-	119,028	119,028	127,645
Total Expenditures	15,431	127,028	142,459	158,910
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(11,578)	(11,578)	-
Total Other Financing Sources/(Uses)	-	(11,578)	(11,578)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 143,479	\$ (138,606)	\$ 4,873	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1010-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$162,124
Revised Authorized Cost	\$158,910
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

**MEDFORD TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
MILTON ALLEN ELEMENTARY SCHOOL
SKYLIGHT REPLACEMENT
YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 93,580	\$ -	\$ 93,580	\$ 93,580
Lease Purchase Proceeds	140,370	-	140,370	140,370
Total Revenues	233,950	-	233,950	233,950
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	24,680	12,821	37,501	50,322
Construction Services	-	180,207	180,207	183,628
Total Expenditures	24,680	193,028	217,708	233,950
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(11,346)	(11,346)	-
Total Other Financing Sources/(Uses)	-	(11,346)	(11,346)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 209,270	\$ (204,374)	\$ 4,896	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	#3080-060-14-1012-G04
Grant Date	January 6, 2014
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$325,000
Revised Authorized Cost	\$233,950
Percentage Increase Over Original Authorized Cost	Not Applicable
Percentage Completion	100%
Revised Target Completion Date	Not Applicable

This page intentionally left blank

G. Proprietary Funds

This page intentionally left blank

Enterprise Funds

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMPARATIVE COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Current Assets:	
Cash & Cash Equivalents	\$ 150,855
Accounts Receivable:	
State	778
Federal	9,956
Inventories	16,330
Total Current Assets	177,919
Capital Assets:	
Equipment	223,900
Accumulated Depreciation	(166,933)
Total Capital Assets	56,967
Total Assets	234,886
LIABILITIES	
Unearned Revenue	32,381
Accounts Payable	65,629
Total Liabilities	98,010
NET POSITION	
Net Investment in Capital Assets	56,967
Unrestricted	79,909
Total Net Position	\$ 136,876

EXHIBIT G-2

**MEDFORD TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMPARATIVE COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	FOOD SERVICE
Operating Revenues:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 358,953
Daily Sales Nonreimbursable Programs	279,713
Special Functions	52,013
Total Operating Revenue	690,679
Operating Expenses:	
Labor	405,522
Supplies & Materials	52,872
Liability Insurance	12,009
Miscellaneous	6,538
Management Fee	42,000
Depreciation Expense	12,014
Cost of Sales	350,128
Total Operating Expenses	881,083
Operating Income/(Loss)	(190,404)
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	7,273
Federal Sources:	
National School Lunch Program	107,423
Special Milk Program	2,127
Healthy Hunger-Free Kids Act	9,493
Food Distribution Program	46,300
Interest Revenue	-
Total Nonoperating Revenues	172,616
Net Income/(Loss)	(17,788)
Net Position/(Deficit) - July 1	154,664
Net Position/(Deficit) - June 30	\$ 136,876

**MEDFORD TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
COMPARATIVE COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
Cash Flows From Operating Activities:		
Receipts from Customers	\$	690,679
Payments to Employees		(351,841)
Payments to Suppliers		(454,911)
		(116,073)
Net Cash Provided/(Used) by Operating Activities		(116,073)
Cash Flows From Noncapital Financing Activities:		
State Sources		7,861
Federal Sources		133,838
		141,699
Net Cash Provided/(Used) by Noncapital Financing Activities		141,699
Cash Flows From Investing Activities:		
Interest Earnings		-
		-
Net Cash Provided/(Used) by Investing Activities		-
Net Increase/(Decrease) in Cash & Cash Equivalents		25,626
Balances - Beginning of Year		125,229
Balances - End of Year	\$	150,855

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

Operating Income/(Loss)	\$	(190,404)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Food Distribution Program		46,300
Depreciation & Net Amortization		12,014
Increase/(Decrease) in Prepaid		7,381
(Increase)/Decrease in Inventories		5,390
Increase/(Decrease) in Accounts Payable		3,246
		74,331
Total Adjustments		74,331
Net Cash Provided/(Used) by Operating Activities	\$	(116,073)

This page intentionally left blank

Internal Service Fund

Not Applicable

This page intentionally left blank

H. Fiduciary Fund

This page intentionally left blank

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

ASSETS	AGENCY		PRIVATE PURPOSE		TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP	
Cash & Cash Equivalents	\$ 221,704	\$ 266,528	\$ 18,539	\$ 12,282	\$ 519,053
Total Assets	221,704	266,528	18,539	12,282	519,053
LIABILITIES					
Payroll Deductions & Withholdings	-	266,528	-	-	266,528
Unemployment Claims Payable	-	-	5,508	-	5,508
Due to Student Groups	221,704	-	-	-	221,704
Total Liabilities	221,704	266,528	5,508	-	493,740
NET POSITION					
Held in Reserve for Unemployment Claims	-	-	13,031	-	13,031
Reserved for Scholarships	-	-	-	12,282	12,282
Total Net Position	\$ -	\$ -	\$ 13,031	\$ 12,282	\$ 25,313

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

	PRIVATE PURPOSE		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	
ADDITIONS			
Local Sources:			
Contributions	\$ -	\$ 57,378	\$ 57,378
Interest on Investments	61	-	61
Total Additions	61	57,378	57,439
DEDUCTIONS			
Unemployment Claims	-	76,734	76,734
Scholarships	1,100	-	1,100
Total Deductions	1,100	76,734	77,834
Change in Net Position	(1,039)	(19,356)	(20,395)
Fund Balances, July 1	13,321	32,387	45,708
Fund Balances, June 30	\$ 12,282	\$ 13,031	\$ 25,313

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

	BALANCE JUNE 30, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
Elementary Schools:				
Taunton Forge	\$ 17,036	\$ 35,431	\$ 42,587	\$ 9,880
Chairville	14,464	42,692	45,068	12,088
Haines	33,334	57,440	66,268	24,506
Cranberry Pines	45,604	37,391	56,905	26,090
Kirby's Mill	22,777	34,732	37,473	20,036
Milton H. Allen	54,479	33,821	54,132	34,168
Total Elementary Schools	<u>187,694</u>	<u>241,507</u>	<u>302,433</u>	<u>126,768</u>
Junior High School:				
Memorial	<u>111,207</u>	<u>236,520</u>	<u>252,791</u>	<u>94,936</u>
Total Junior High School	<u>111,207</u>	<u>236,520</u>	<u>252,791</u>	<u>94,936</u>
Total All Schools	<u>\$ 298,901</u>	<u>\$ 478,027</u>	<u>\$ 555,224</u>	<u>\$ 221,704</u>

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

ASSETS	BALANCE JUNE 30, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents	\$ 250,949	\$ 27,909,021	\$ 27,893,442	\$ 266,528
Total Assets	<u>\$ 250,949</u>	<u>\$ 27,909,021</u>	<u>\$ 27,893,442</u>	<u>\$ 266,528</u>
LIABILITIES				
Net Payroll & Withholdings	\$ 234,385	\$ 27,909,021	\$ 27,876,878	\$ 266,528
Due to Employees (Section 125 Plan)	5,099	-	5,099	-
Interfund Payables:				
General Fund	1,253	-	1,253	-
Unemployment	10,212	-	10,212	-
Total Liabilities	<u>\$ 250,949</u>	<u>\$ 27,909,021</u>	<u>\$ 27,893,442</u>	<u>\$ 266,528</u>

This page intentionally left blank

I. Long-Term Debt

This page intentionally left blank

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	RETIRED	BALANCE JUNE 30, 2015
Refunding Bond Issue	01/24/2008	\$4,380,000	N/A	N/A	N/A	\$ 655,000	\$ 655,000	-
Refunding Bond Issue	02/07/2006	28,710,000	03/01/16	1,690,000	4.500%	24,160,000	1,635,000	22,525,000
			03/01/17	1,770,000	4.625%			
			03/01/18	1,840,000	4.700%			
			03/01/19	1,880,000	4.750%			
			03/01/20	1,970,000	4.750%			
			03/01/21	1,955,000	4.875%			
			03/01/22	1,945,000	4.875%			
			03/01/23	1,930,000	5.000%			
			03/01/24	1,910,000	5.000%			
			03/01/25	1,895,000	5.000%			
			03/01/26	1,880,000	5.000%			
			03/01/27	1,860,000	5.000%			
Total						\$ 24,815,000	\$ 2,290,000	\$ 22,525,000

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

DESCRIPTION	DATE OF LEASE	TERM	LAST PAYMENT DUE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
Canon Copiers for Haines & Taunton Forge	10/1/2010	5 YEARS	9/1/2015	5.84%	42,465	\$ 11,805	\$ -	\$ 11,805	\$ -
Networking Equipment	1/10/2012	5 YEARS	9/10/2016	2.79%	553,577	272,625	-	119,059	153,566
2010 54 Passenger School Buses (3) Copiers for Memorial Media Center & Haines Guidance	8/1/2011	4 YEARS	8/1/2014	2.90%	246,000	55,549	-	55,549	-
2010/2012 54 Passenger School Buses (2) Copiers for Haines, Taunton & Business Office	10/15/2011 7/10/2012	5 YEARS 4 YEARS	9/15/2016 8/1/2015	5.93% 2.48%	28,705 183,000	13,971 79,345	- -	5,981 39,186	7,990 40,159
2010/2012 54 Passenger School Buses (2) Lease Purchase Agreement for Various Capital Improvement Projects *	7/1/2013 7/10/2013	5 YEARS 5 YEARS	6/15/2018 8/1/2017	N/A N/A	110,208 211,000	89,978 167,085	- -	21,108 40,353	68,870 126,732
2015 54 Passenger School Buses (5) Copiers for Various Locations	4/22/2014 7/1/2014 7/15/2014	5 YEARS 4 YEARS 5 YEARS	3/15/2019 7/1/2018 6/15/2019	1.63% 1.31% N/A	1,200,000 426,119 326,058	1,200,000 - -	- 426,119 326,058	240,000 84,690 60,851	960,000 341,429 265,207
Total						\$ 1,890,358	\$ 752,177	\$ 678,582	\$ 1,963,953

* - This capital lease is accounted for in the Capital Projects fund.

**MEDFORD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015**

	JUNE 30, 2015				VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,309,458	\$ -	\$ 3,309,458	\$ 3,309,458	\$ -
Total Revenues	3,309,458	-	3,309,458	3,309,458	-
Expenditures:					
Regular Debt Service:					
Interest	1,039,513	-	1,039,513	1,039,512	1
Redemption of Principal	2,290,000	-	2,290,000	2,290,000	-
Total Expenditures	3,329,513	-	3,329,513	3,329,512	1
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(20,055)	-	(20,055)	(20,054)	1
Other Financing Sources/(Uses):					
Operating Transfers In	-	-	-	12	12
Total Other Financing Sources/(Uses)	-	-	-	12	12
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(20,055)	-	(20,055)	(20,042)	13
Fund Balances July 1, 2014	20,076	-	20,076	20,076	-
Fund Balances June 30, 2015	\$ 21	\$ -	\$ 21	\$ 34	\$ 13

**MEDFORD TOWNSHIP BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF COMPENSATED ABSENCES
 JUNE 30, 2015**

	OUTSTANDING BALANCE 2014	ADDITIONS/ (DEDUCTIONS)	OUTSTANDING BALANCE 2015
Compensated Absences	\$ 1,664,495	\$ (103,086)	\$ 1,561,409

STATISTICAL SECTION (Unaudited)

This page intentionally left blank

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

This page intentionally left blank

MEDFORD 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
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 32,270,778	\$ 31,885,856	\$ 31,015,580	\$ 35,288,542	\$ 35,375,706	\$ 35,076,157	\$ 34,052,853	\$ 33,170,798	\$ 31,307,648	\$ 29,757,339
Restricted	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644	6,485,308
Unrestricted	(9,728,096)	(9,138,954)	1,252,295	(74,640)	(1,815,821)	(1,240,464)	(1,456,480)	(465,724)	311,251	(291,786)
Total Governmental Activities Net Position	<u>\$ 24,724,817</u>	<u>\$ 24,093,631</u>	<u>\$ 34,387,811</u>	<u>\$ 39,155,556</u>	<u>\$ 37,112,302</u>	<u>\$ 36,560,104</u>	<u>\$ 37,374,893</u>	<u>\$ 37,325,620</u>	<u>\$ 37,464,543</u>	<u>\$ 35,950,861</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 56,967	\$ 68,981	\$ 81,874	\$ 25,434	\$ 33,370	\$ 42,554	\$ 52,788	\$ 66,331	\$ 75,601	\$ 54,574
Unrestricted	79,909	85,683	111,287	138,300	146,823	138,442	120,281	135,634	130,458	114,297
Total Business-Type Activities Net Position	<u>\$ 136,876</u>	<u>\$ 154,664</u>	<u>\$ 193,161</u>	<u>\$ 163,734</u>	<u>\$ 180,193</u>	<u>\$ 180,996</u>	<u>\$ 173,069</u>	<u>\$ 201,965</u>	<u>\$ 206,059</u>	<u>\$ 168,871</u>
District-Wide:										
Net Investment in										
Capital Assets	\$ 32,327,745	\$ 31,954,837	\$ 31,097,454	\$ 35,313,976	\$ 35,409,076	\$ 35,118,711	\$ 34,105,641	\$ 33,237,129	\$ 31,383,249	\$ 29,811,913
Restricted	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520	4,620,546	5,845,644	6,485,308
Unrestricted	(9,648,187)	(9,053,271)	1,363,582	63,660	(1,668,998)	(1,102,022)	(1,336,199)	(330,090)	441,709	(177,489)
Total District Net Position	<u>\$ 24,861,693</u>	<u>\$ 24,248,295</u>	<u>\$ 34,580,972</u>	<u>\$ 39,319,290</u>	<u>\$ 37,292,495</u>	<u>\$ 36,741,100</u>	<u>\$ 37,547,962</u>	<u>\$ 37,527,585</u>	<u>\$ 37,670,602</u>	<u>\$ 36,119,732</u>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 13,812,482	\$ 13,264,305	\$ 13,156,839	\$ 12,409,724	\$ 12,028,959	\$ 13,153,219	\$ 13,569,075	\$ 12,836,488	\$ 12,735,190	\$ 12,386,661
Special Education	5,251,205	5,332,693	5,308,220	5,033,439	4,845,628	4,370,758	4,139,178	4,159,125	3,627,369	3,583,662
Other Special Instruction	436,086	500,752	402,047	337,313	304,690	329,603	366,000	329,607	305,684	345,686
Other Instruction	121,015	99,833	120,261	42,175	13,496	124,659	123,639	161,580	116,956	116,394
Support Services & Undistributed Costs:										
Tuition	1,486,260	1,723,175	1,338,256	1,502,954	1,380,735	1,578,557	1,256,541	1,351,346	1,951,907	1,445,759
Attendance & Social Work Services	15,718	14,617	15,115	4,914	4,914	6,175	5,997	5,299	2,496	3,709
Health Services	503,721	490,200	492,596	520,812	516,355	503,881	465,904	528,467	498,063	474,629
Student & Instruction Related Services	2,857,722	2,791,497	2,841,851	2,791,267	3,090,874	3,541,219	2,629,436	3,260,812	2,123,689	2,750,085
Educational Media Services/School Library	481,778	444,490	365,627	354,003	373,335	606,831	493,028	598,062	597,151	555,794
Instructional Staff Training	633,882	644,526	431,881	575,670	553,037	672,153	597,141	522,951	428,041	369,245
School Administrative Services	3,435,720	3,271,999	3,068,602	999,195	980,190	846,608	842,964	907,487	919,286	855,587
Other Administrative Services	883,693	889,890	828,865	2,700,993	2,453,549	2,689,154	2,621,113	2,828,830	2,620,692	2,450,195
Plant Operations & Maintenance	4,452,043	3,983,931	3,788,271	3,502,879	3,849,537	3,825,265	3,339,295	3,461,444	3,482,568	3,375,734
Pupil Transportation	3,386,312	3,787,193	3,429,686	3,405,580	3,202,868	3,280,228	2,942,096	3,214,706	2,829,355	2,513,551
Unallocated Benefits	15,621,007	10,688,097	11,119,839	10,094,703	9,943,646	10,095,072	9,661,654	10,797,442	10,017,055	8,437,677
Transfer to Charter Schools	11,840	22,394	31,998							
Long-Term Debt and Other Charges	1,131,442	1,191,496	1,294,440	1,358,396	1,484,245	1,404,885	1,592,479	1,578,613	1,544,203	2,181,236
Special Schools	71,712	58,490	69,048	77,077	33,983	80,512	70,828	60,199	39,698	40,202
Amortization of Bond Issuance Costs	-	-	14,115	14,114	14,114	14,117	14,114	3,782	3,782	3,782
Unallocated Amortization of Loss on Refunding	-	33,218	33,218	33,218	33,218	33,218	33,218	33,218	293,024	33,218
Increase in Compensated Absences	(103,086)	165,365	(120,277)	12,579	101,508	36,274	418,323	234,547	(223,569)	73,204
Reduction in Capital Leases	-	(542,720)	(465,873)	(361,675)	(331,829)	(481,092)	-	-	-	-
Adjustment to Capital Assets	-	-	5,829,345	-	-	-	-	-	-	-
Unallocated Depreciation	2,300,002	2,401,850	1,748,398	2,133,778	2,133,778	1,948,724	2,057,407	1,563,965	989,041	978,225
Total Governmental Activities Expenses	56,790,554	51,257,291	55,142,368	47,552,024	47,010,830	48,706,620	47,239,430	48,437,970	44,901,681	42,974,235
Business-Type Activities:										
Food Service	881,083	857,994	832,583	894,710	867,830	849,527	865,203	843,317	755,102	735,371
Total Business-Type Activities Expense	881,083	857,994	832,583	894,710	867,830	849,527	865,203	843,317	755,102	735,371
Total District Expenses	\$ 57,671,637	\$ 52,115,285	\$ 55,974,951	\$ 48,446,734	\$ 47,878,660	\$ 49,556,147	\$ 48,104,633	\$ 49,281,287	\$ 45,656,783	\$ 43,709,606
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 5,321,321	\$ 905,056	\$ 952,932	\$ 958,306	\$ 924,614	\$ 1,587,530	\$ 997,396	\$ 989,112	\$ 987,128	\$ 1,013,222
Total Governmental Activities Program Revenues	5,321,321	905,056	952,932	958,306	924,614	1,587,530	997,396	989,112	987,128	1,013,222

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FISCAL YEAR ENDING JUNE 30,										
Business-Type Activities:										
Charges for Services:										
Food Service	690,679	643,545	623,272	711,617	711,798	726,570	707,079	703,182	625,112	628,509
Operating Grants & Contributions	172,616	175,423	167,915	163,583	152,276	128,576	126,729	127,357	122,541	122,715
Total Business-Type Activities	863,295	818,968	791,187	875,200	864,074	855,146	833,808	830,539	747,653	751,224
Program Revenues	6,184,616	1,724,024	1,744,119	1,833,506	1,788,688	2,442,676	1,831,204	1,819,651	1,734,781	1,764,446
Total District Program Revenues	\$ 6,184,616	\$ 1,724,024	\$ 1,744,119	\$ 1,833,506	\$ 1,788,688	\$ 2,442,676	\$ 1,831,204	\$ 1,819,651	\$ 1,734,781	\$ 1,764,446
Net (Expense)/Revenue:										
Governmental Activities	\$ (51,469,233)	\$ (50,352,235)	\$ (54,189,436)	\$ (46,593,718)	\$ (46,086,216)	\$ (47,119,090)	\$ (46,242,034)	\$ (47,448,858)	\$ (43,914,553)	\$ (41,961,013)
Business-Type Activities	(17,788)	(39,026)	(41,396)	(19,510)	(3,756)	5,619	(31,395)	(12,778)	(7,449)	15,853
Total District-Wide Net Expense	\$ (51,487,021)	\$ (50,391,261)	\$ (54,230,832)	\$ (46,613,228)	\$ (46,089,972)	\$ (47,113,471)	\$ (46,273,429)	\$ (47,461,636)	\$ (43,922,002)	\$ (41,945,160)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 38,926,028	\$ 37,514,654	\$ 36,307,156	\$ 36,417,885	\$ 36,046,947	\$ 35,454,808	\$ 34,491,065	\$ 34,153,568	\$ 32,595,738	\$ 30,097,041
Taxes Levied for Debt Service	3,309,458	3,384,198	3,458,801	3,348,072	3,083,050	2,927,866	2,931,840	3,037,016	2,984,124	3,202,400
Federal & State Aid Not Restricted	9,624,963	8,693,712	9,076,950	8,154,002	6,723,025	7,114,398	8,149,046	9,457,957	9,171,373	7,804,036
Miscellaneous Income	702,533	652,205	544,166	682,395	750,773	733,606	695,745	680,138	808,788	754,021
Amortization of Gain on Early Retirement of Debt	-	34,618	34,618	34,618	34,619	34,618	34,619	-	-	-
Cancellation of Accounts Payable	-	-	-	-	-	39,005	-	-	-	-
Cancellation of EDA Receivable	-	-	-	-	-	-	(35,294)	-	(131,788)	(144,485)
Total Governmental Activities	\$ 52,562,982	\$ 50,279,387	\$ 49,421,691	\$ 48,636,972	\$ 46,638,414	\$ 46,304,301	\$ 46,267,021	\$ 47,328,679	\$ 45,428,235	\$ 41,713,013
Business-Type Activities:										
Adjustment to Capital Assets	-	-	69,593	-	-	-	-	-	-	-
Investment Earnings	-	529	1,230	3,051	2,953	2,308	2,499	8,684	10,762	8,440
Total Business-Type Activities	-	529	1,230	3,051	2,953	2,308	2,499	8,684	10,762	8,440
Total District-Wide	\$ 52,562,982	\$ 50,279,916	\$ 49,492,514	\$ 48,640,023	\$ 46,641,367	\$ 46,306,609	\$ 46,269,520	\$ 47,337,363	\$ 45,438,997	\$ 41,721,453
Change in Net Position:										
Governmental Activities	\$ 1,093,749	\$ (72,848)	\$ (4,767,745)	\$ 2,043,254	\$ 552,198	\$ (814,789)	\$ 24,987	\$ (120,179)	\$ 1,513,682	\$ (248,000)
Business-Type Activities	(17,788)	(38,497)	29,427	(16,459)	(803)	7,927	(28,896)	(4,094)	3,313	24,293
Total District	\$ 1,075,961	\$ (111,345)	\$ (4,738,318)	\$ 2,026,795	\$ 551,395	\$ (806,862)	\$ (3,909)	\$ (124,273)	\$ 1,516,995	\$ (223,707)

**MEDFORD 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
General Fund:										
Restricted	\$ 2,504,730	\$ 1,675,613	\$ 557,903	\$ 2,935,478	\$ 1,338,338	\$ 1,022,157	\$ 4,774,637	\$ 4,154,668	\$ 4,937,825	\$ 4,637,370
Assigned	2,014,037	2,125,628	2,881,855	1,447,135	1,617,516	1,902,591	-	-	-	-
Unassigned	533,214	557,967	1,788,253	1,008,487	1,014,529	483,659	353,293	593,063	637,427	571,363
Total General Fund	\$ 5,051,981	\$ 4,359,208	\$ 5,228,010	\$ 5,391,100	\$ 3,970,383	\$ 3,408,407	\$ 5,127,930	\$ 4,747,731	\$ 5,575,252	\$ 5,208,733
All Other Governmental Funds:										
Assigned	\$ 34	\$ 20,076	\$ 29,970	\$ 12,402	\$ 33,565	\$ 250,000	\$ 441,284	\$ -	\$ 477,117	\$ 400,663
Committed	-	1,105,302	-	-	-	-	-	-	-	-
Unassigned:										
Capital Projects Fund	-	-	-	-	-	-	128,279	567,703	1,086,538	2,086,767
Debt Service Fund	-	-	-	-	-	31,078	-	441,284	441,284	-
Permanent Fund	-	-	-	-	-	-	-	-	18,744	18,850
Total All Other Governmental Funds	\$ 34	\$ 1,125,378	\$ 29,970	\$ 12,402	\$ 33,565	\$ 281,078	\$ 569,563	\$ 1,008,987	\$ 2,023,683	\$ 2,506,280

**MEDFORD 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
Revenues:										
Tax Levy	\$ 42,235,486	\$ 40,898,852	\$ 39,765,957	\$ 39,765,957	\$ 39,129,997	\$ 38,382,674	\$ 37,422,905	\$ 37,190,584	\$ 35,579,862	\$ 33,299,441
Miscellaneous	702,533	652,205	544,166	682,395	750,773	733,606	695,745	680,138	808,788	754,021
State Sources	9,784,761	8,836,440	9,208,751	8,097,046	6,845,006	6,688,886	8,316,989	9,617,272	9,350,643	8,024,788
Federal Sources	778,493	762,328	821,131	1,015,262	802,633	2,013,042	829,453	829,797	807,858	792,470
Total Revenue	53,501,273	51,149,825	50,340,005	49,560,660	47,528,409	47,818,208	47,265,092	48,317,791	46,547,151	42,870,720
Expenditures:										
Current Expense:										
Instruction	19,620,788	19,197,583	18,987,367	17,822,651	17,192,773	18,024,839	18,197,892	17,467,920	16,785,199	16,432,403
Undistributed Expenditures	28,158,781	28,064,179	27,256,044	26,213,499	26,088,073	27,645,143	25,078,803	27,316,280	25,562,370	22,535,603
Capital Outlay	3,493,388	1,707,668	882,782	1,506,711	775,374	1,002,028	1,246,592	1,883,489	1,681,124	5,078,241
Special Schools	71,712	58,490	69,048	77,077	33,983	80,512	70,828	60,199	39,698	40,202
Debt Service	3,329,512	3,394,113	3,441,288	3,369,450	3,333,050	3,359,150	3,344,908	3,416,036	3,527,418	3,605,269
Total Expenditures	54,674,181	52,422,033	50,636,529	48,989,388	47,423,253	50,111,672	47,939,023	50,143,924	47,595,809	47,691,718
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,172,908)	(1,272,208)	(296,524)	571,272	105,156	(2,293,464)	(673,931)	(1,826,133)	(1,048,658)	(4,820,998)
Other Financing Sources/(Uses):										
Cancellation of EDA Receivable	-	-	-	-	-	-	(35,294)	-	(131,788)	(144,485)
Cancellation of Accounts Payable	-	-	-	-	-	39,005	-	-	-	-
Eminent Domain Settlement	-	-	-	-	-	-	-	-	-	350,000
Transfer to Charter Schools	(11,840)	(22,394)	(31,998)	-	-	-	-	-	-	-
Lease Purchase Proceeds	-	1,200,000	-	-	-	-	-	-	-	-
Capital Leases (Nonbudget)	752,177	321,208	183,000	828,282	209,307	246,451	650,000	487,992	579,045	280,450
Total Other Financing Sources/(Uses)	740,337	1,498,814	151,002	828,282	209,307	285,456	614,706	487,992	447,257	485,965
Net Change in Fund Balances	\$ (432,571)	\$ 226,606	\$ (145,522)	\$ 1,399,554	\$ 314,463	\$ (2,008,008)	\$ (59,225)	\$ (1,338,141)	\$ (601,401)	\$ (4,335,033)
Debt Service as a Percentage of Noncapital Expenditures	6.5%	6.7%	6.9%	7.1%	7.1%	6.8%	7.2%	7.1%	7.7%	8.5%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

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

FISCAL YEAR ENDED JUNE 30,	TUITION	TRANSPORTATION AGREEMENTS	INTEREST ON PRIOR YEAR INVESTMENTS	REFUNDS	MISCELLANEOUS DONATION	TRACK	TRANSPORTATION FEES	SALE & REIMBURSEMENT	FEMA	REBATES FOR ENERGY CONSERVATION	INSURANCE SETTLEMENT	TOTAL
2015	\$ -	\$ -	\$ 17,948	\$ -	\$ 597,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	615,223
2014	166,523	-	32,990	-	452,671	-	-	-	-	-	-	652,184
2013	18,533	-	49,433	-	476,145	-	-	-	-	-	-	544,111
2012	71,309	62,258	93,590	-	455,023	-	-	-	-	-	-	682,180
2011	74,326	54,663	85,238	22,532	427,470	-	38,334	45,723	-	-	-	748,286
2010	109,297	57,147	98,828	2,351	391,027	-	-	-	-	68,430	-	727,080
2009	83,904	93,302	93,658	3,751	335,862	-	-	-	-	76,330	-	686,807
2008	80,042	51,886	268,613	11,948	149,230	-	-	-	-	77,134	-	638,853
2007	51,965	66,883	369,629	10,478	127,347	10,000	-	-	-	98,171	10,978	745,451
2006	68,124	49,924	109,624	13,410	307,797	10,000	-	-	-	139,878	-	698,757

Revenue Capacity Information

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

This page intentionally left blank

**MEDFORD 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	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2015	\$ 22,987,200	\$ 2,580,361,200	\$ 38,040,700	\$ 2,341,800	\$ 256,944,800	\$ 16,368,800	\$ 50,204,300	\$ 2,967,248,800	\$ 5,541,405	\$ 2,972,790,205	2.170	\$ 3,128,816,643
2014	25,778,700	2,565,183,800	39,418,600	2,283,700	260,207,300	16,368,800	56,132,200	2,965,373,100	5,480,053	2,970,853,153	2.109	3,145,328,147
2013	28,587,900	2,552,413,700	40,497,600	2,933,500	270,483,900	16,368,800	56,932,200	2,968,217,600	7,676,777	2,975,894,377	2.020	3,120,094,011
2012	33,786,000	2,563,221,000	41,927,400	2,838,700	282,365,000	22,014,400	63,483,400	3,009,635,900	8,901,541	3,018,537,441	1.915	3,190,029,902
2011	17,360,100	1,541,272,500	21,760,600	3,023,000	149,260,800	9,287,700	29,815,900	1,771,780,600	5,092,638	1,776,873,238	3.224	3,190,029,902
2010	17,529,990	1,543,351,150	21,166,210	2,814,750	151,250,400	9,632,700	29,815,900	1,775,561,100	5,574,837	1,781,135,937	3.153	3,419,519,452
2009	18,184,300	1,545,481,100	21,002,200	2,795,800	150,000,300	9,632,700	29,815,900	1,776,912,300	5,060,019	1,781,972,319	3.068	3,497,216,064
2008	19,490,900	1,543,120,700	20,985,600	2,371,800	148,612,500	9,632,700	29,815,900	1,774,030,100	4,312,379	1,778,342,479	3.009	3,392,905,370
2007	19,726,600	1,540,876,800	20,521,400	2,390,000	148,084,500	8,942,700	29,815,900	1,770,357,900	4,368,758	1,774,726,658	3.019	3,216,151,933
2006	18,501,400	1,533,665,400	20,779,600	2,678,600	147,051,200	8,942,700	29,815,900	1,761,434,800	3,857,376	1,765,292,176	2.906	2,885,232,105

Source: Burlington County Abstract of Ratables

**MEDFORD 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 AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL		TOWNSHIP MEDFORD TOWNSHIP	BURLINGTON COUNTY	MUNICIPAL		
		TOTAL DIRECT	TOTAL DIRECT			OPEN SPACE		
2015	1.450	0.720	2.170	0.411	0.435	0.030	3.046	
2014	1.422	0.687	2.109	0.411	0.403	0.030	2.953	
2013	1.374	0.646	2.020	0.412	0.395	0.029	2.856	
2012	1.318	0.597	1.915	0.413	0.401	0.029	2.758	
2011	2.238	0.986	3.224	0.521	0.695	0.030	4.470	
2010	2.197	0.956	3.153	0.495	0.729	0.030	4.407	
2009	2.154	0.914	3.068	0.495	0.715	0.030	4.308	
2008	2.104	0.905	3.009	0.495	0.743	0.030	4.277	
2007	2.096	0.923	3.019	0.498	0.763	0.030	4.310	
2006	2.016	0.890	2.906	0.499	0.726	0.030	4.161	

Source: Municipal Tax Collector

**MEDFORD TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2015		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
The Estaugh T/A Medford Leas	\$ 28,441,000	1	0.96%
Sharp Run, LLC	15,344,900	2	0.52%
Medford Associates, L.P.	12,659,000	3	0.43%
Medford Supermarket Properties	9,401,500	4	0.32%
Haynes Run, LLC.	8,458,400	5	0.28%
Medford Convalescent & Nursing Center	7,833,700	6	0.26%
Medford Center Associates	7,200,000	7	0.24%
Verizon, Inc.	5,541,405	8	0.19%
Medford Investor Associates	5,353,400	9	0.18%
Depetris Family c/o Tauton Forge	5,097,500	10	0.17%
Total	<u>\$ 105,330,805</u>		<u>3.54%</u>

TAXPAYER	2006		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
The Estaugh	\$ 18,718,000	1	1.06%
Wharton Hardware	8,480,000	2	0.48%
Medford Associates, LLP	7,156,500	3	0.41%
Medford Supermarket Properties	6,000,000	4	0.34%
Medford Convalescent & Nursing Center	5,932,000	5	0.34%
Haynes Run Apartments	4,507,000	6	0.26%
Medford Medical Group	4,100,000	7	0.23%
Medford Center Associates	4,042,000	8	0.23%
Medford Investors Associates	3,550,000	9	0.20%
Ironstone Village	3,163,600	10	0.18%
Total	<u>\$ 65,649,100</u>		<u>3.73%</u>

**MEDFORD TOWNSHIP BOARD OF EDUCATION
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	
		AMOUNT	PERCENTAGE OF LEVY
2015	\$ 42,235,486	\$ 42,235,486	100.00%
2014	40,898,852	40,898,852	100.00%
2013	39,765,957	39,765,957	100.00%
2012	39,765,957	39,765,957	100.00%
2011	39,129,997	39,129,997	100.00%
2010	38,382,674	38,382,674	100.00%
2009	37,422,905	37,422,905	100.00%
2008	37,190,584	37,190,584	100.00%
2007	35,579,862	35,579,862	100.00%
2006	33,299,441	33,299,441	100.00%

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

Debt Capacity Information

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

This page intentionally left blank

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES		
2015	\$ 22,525,000	\$ 1,963,953	\$ 24,488,953	N/A
2014	24,815,000	1,890,358	26,705,358	1,143
2013	27,065,000	911,870	27,976,870	1,204
2012	29,260,000	1,194,743	30,454,743	1,310
2011	31,305,000	728,136	32,033,136	1,385
2010	33,230,000	850,659	34,080,659	1,480
2009	35,100,000	1,085,300	36,185,300	1,592
2008	36,875,000	886,064	37,761,064	1,657
2007	38,795,000	854,013	39,649,013	1,740
2006	40,500,000	574,949	41,074,949	1,772

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	22,525,000	-	22,525,000	0.76%	N/A
2014	24,815,000	-	24,815,000	0.84%	1,062
2013	27,065,000	-	27,065,000	0.91%	1,164
2012	29,260,000	-	29,260,000	0.97%	1,259
2011	31,305,000	-	31,305,000	1.76%	1,353
2010	33,230,000	-	33,230,000	1.87%	1,443
2009	35,100,000	-	35,100,000	1.97%	1,544
2008	36,875,000	-	36,875,000	2.07%	1,618
2007	38,795,000	-	38,795,000	2.19%	1,702
2006	40,500,000	-	40,500,000	2.29%	1,747

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lenape Regional High School	\$ 66,450,000	17.72%	\$ 11,774,940
Medford Township	28,018,043	100%	28,018,043
Burlington County	303,356,410	6.85%	20,766,163
Subtotal, Overlapping Debt			60,559,146
Medford Township Board of Education Debt			22,525,000
Total Direct & Overlapping Debt			<u>\$ 83,084,146</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

**MEDFORD TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 94,102,466	\$ 95,326,820	\$ 96,548,371	\$ 98,669,564	\$ 101,646,063	\$ 102,730,334	\$ 100,526,487	\$ 94,165,294	\$ 85,867,210	\$ 76,364,285
Total Net Debt Applicable to Limit	22,525,000	24,815,000	27,065,000	29,260,000	31,305,000	33,230,000	35,100,000	37,045,000	38,795,000	40,500,000
Legal Debt Margin	\$ 71,577,466	\$ 70,511,820	\$ 69,483,371	\$ 69,409,564	\$ 70,341,063	\$ 69,500,334	\$ 65,426,487	\$ 57,120,294	\$ 47,072,210	\$ 35,864,285
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (3.0%)	0.718%	0.781%	0.841%	0.890%	0.924%	0.970%	1.047%	1.180%	1.355%	1.591%

Legal Debt Margin Calculation for Fiscal Year 2015

	2014	2013	2012
Equalized Valuation Basis	\$ 3,118,163,091	\$ 3,139,642,056	\$ 3,152,441,500
Average Equalized Valuation of Taxable Property	\$ 9,410,246,647	\$ 3,136,748,882	\$ 94,102,466
Debt Limit (3 % of Average Equalization Value)	\$ 22,525,000	\$ 22,525,000	\$ 22,525,000
Net Bonded School Debt	\$ 71,577,466	\$ 71,577,466	\$ 71,577,466
Legal Debt Margin			

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

This page intentionally left blank.

Demographic and Economic Information

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

This page intentionally left blank

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

YEAR	POPULATION (a)	PERSONAL INCOME (b)	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2014	23,357	N/A	N/A	5.1%
2013	23,245	1,200,325,310	51,638	6.0%
2012	23,246	1,189,009,654	51,149	5.7%
2011	23,132	1,144,363,172	49,471	5.5%
2010	23,032	1,096,000,752	47,586	5.7%
2009	22,726	1,076,848,784	47,384	5.3%
2008	22,794	1,088,595,852	47,758	5.3%
2007	22,788	1,054,970,460	46,295	1.7%
2006	23,181	1,031,994,939	44,519	2.4%
2005	23,261	977,055,044	42,004	2.2%

Source:

- (a) Population information provided by US Bureau of the Census; Population Division
- (b) Personal income calculated using population and per capita personal income
- (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development
- N/A - Information not available

PRINCIPAL EMPLOYERS

	2015 EMPLOYEES
Medford Township Board of Education	N/A
The Estaugh	N/A
Shop Rite	N/A
Medford Convalescent	N/A
Acme	N/A
McDonalds	N/A
Total	-

This page intentionally left blank

Operating Information

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

This page intentionally left blank

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	167	156	212	212	214	238	238	240	239	240
Special Education	47	46	48	48	48	49	49	48	45	45
Other Special Education	34	34	118	118	118	120	121	121	118	119
Support Services:										
School Administrative Services	29	29	18	18	18	20	20	20	20	20
General & Business Administrative Services	7	7	6	6	6	6	7	7	7	7
Plant Operations & Maintenance	23	22	27	27	27	30	32	35	36	37
Pupil Transportation	55	51	50	50	50	56	57	59	59	57
Business & Other Support Services	14	14	5	5	5	5	5	5	5	5
Total	376	359	484	484	486	529	535	529	530	510

Source: District Personnel Records

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURE (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL				
2015	2,804	\$ 47,851,280	\$ 17,065	0.0060%	243	1:11	1:12	2,736	2,632	-1.12%	93.87%
2014	2,807	47,320,252	16,858	0.0068%	236	1:11	1:14	2,767	2,666	-5.76%	94.98%
2013	2,933	46,312,459	15,790	0.0074%	260	1:13	1:16	2,936	2,818	-2.56%	96.08%
2012	3,017	44,113,227	14,622	0.0074%	265	1:14	1:17	3,013	2,897	-1.82%	96.02%
2011	3,076	43,314,829	14,082	0.0065%	267	1:19	1:22	3,069	2,953	-1.54%	96.00%
2010	3,118	45,750,494	14,673	0.0074%	287	1:17	1:19	3,117	2,986	1.10%	95.77%
2009	3,074	43,347,523	14,101	0.0079%	287	1:14	1:19	3,083	2,969	0.78%	96.58%
2008	3,067	40,914,612	13,340	0.0071%	288	1:13	1:18	3,059	2,953	-1.06%	96.28%
2007	3,093	42,387,267	13,704	0.0086%	284	1:14	1:19	3,092	2,979	0.12%	96.31%
2006	3,096	39,008,208	12,601	0.0092%	285	1:14	1:19	3,088	2,975	1.51%	96.10%

Sources: District records

Note: Enrollment based on annual October district count.

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

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
DISTRICT BUILDINGS										
Elementary Schools:										
Chairville School (2004):										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	500	500	500	500	500	500	500	500	500	500
Enrollment	423	463	463	503	495	476	454	442	424	420
Cranberry Pines School (1979):										
Square Feet	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231
Capacity (Students)	479	479	479	479	479	479	479	479	479	479
Enrollment (a)	340	355	355	362	378	392	406	424	456	453
Kirby's Mill School (2004):										
Square Feet	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Capacity (Students)	515	515	515	515	515	515	515	515	500	500
Enrollment	324	327	327	331	364	394	407	396	387	384
Milton Allen School (1926):										
Square Feet	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396
Capacity (Students)	486	486	486	486	486	486	486	486	486	486
Enrollment	362	376	376	388	389	392	392	397	405	403
Taunton Forge School (1975):										
Square Feet	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772
Capacity (Students)	447	447	447	447	447	447	447	447	447	447
Enrollment	310	310	310	327	347	378	385	362	367	365
Middle School:										
Haines 6th Grade Center (1960):										
Square Feet	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363
Capacity (Students)	461	461	461	461	461	461	461	461	461	461
Enrollment	320	350	350	369	377	348	357	356	337	336
Memorial Middle School (1968):										
Square Feet	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750
Capacity (Students)	1131	1131	1131	1131	1131	1131	1131	1131	1131	1131
Enrollment	725	749	749	737	726	741	673	682	715	713
Other Buildings:										
Transportation Center (2003):										
Square Feet	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Warehouse: Old Bus Garage (1946):										
Square Feet	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420

Number of Schools at June 30, 2015:

- Elementary = 5
- Middle School = 1
- Sixth Grade Center = 1
- Other = 2

Source: District Facilities Office
 Note: Year of original construction is shown in parentheses.
 Enrollment is based on the annual October District count.

**MEDFORD TOWNSHIP PUBLIC SCHOOLS
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

	CHAIRVILLE SCHOOL	CRANBERRY PINES SCHOOL	HAINES 6TH GRADE CENTER	KIRBY'S MILL SCHOOL	MEMORIAL MIDDLE SCHOOL	MILTON ALLEN SCHOOL	TAUNTON FORGE SCHOOL	TOTAL
2015	\$ 69,036	\$ 108,099	\$ 103,178	\$ 69,714	\$ 230,406	\$ 118,879	\$ 116,181	\$ 815,493
2014	50,093	82,107	94,435	88,311	241,904	96,665	98,182	751,696
2013	54,389	79,857	85,913	60,108	209,699	101,942	102,177	694,085
2012	58,330	73,886	71,941	53,978	179,811	109,904	100,275	648,125
2011	45,540	72,597	76,925	44,991	176,664	108,539	104,596	629,852
2010	55,536	88,240	93,567	54,501	215,078	132,121	127,556	812,959
2009	54,259	108,678	124,562	56,745	210,357	141,241	117,117	812,959
2014	63,590	128,905	144,794	66,559	358,048	153,721	128,271	1,043,888
2007	91,090	119,110	143,302	106,618	259,585	180,382	146,516	1,046,603
2006	140,694	137,308	154,051	136,402	186,732	160,169	163,831	1,079,187

Source: District records

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

	COVERAGE	DEDUCTIBLE
Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):		
Property / Auto Physical Damage / Crime	\$ 15,000,000	\$ 500
General Liability / Auto Liability	15,000,000	-
Educator's Legal Liability	15,000,000	-
Excess Workers' Compensation/Employees' Liability		
Property / Automobile Physical Damage	150,000,000	500
Boiler and Machinery	125,000,000	1,000
Crime	500,000	500
Hazardous Substances	N/A	N/A
Selective Insurance:		
Surety Bond Coverage:		
Board Secretary - Chad Fires	250,000	-
Treasurer of School Monies - N. Janet Cooper	325,000	-

Source: District records.

This page intentionally left blank

SINGLE AUDIT SECTION

This page intentionally left blank



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
Medford Township Board of Education
County of Burlington
Medford, New Jersey 08055

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 Medford 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 Medford Township Board of Education’s basic financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control Over Financial Reporting

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

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
November 19, 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
Medford Township Board of Education
County of Burlington
Medford, New Jersey 08055

Report on Compliance for Each Major Federal and State Program

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

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Medford Township Board of Education’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; *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 Circular 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 a major federal or state

program occurred. An audit includes examining, on a test basis, evidence about Medford Township 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 federal and state program. However, our audit does not provide a legal determination of Medford Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Medford 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 federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Medford 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 Medford 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 federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and 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 Medford 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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and 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.

Kevin P. Frenia
Certified Public Accountant
Public School Accountant, No. 1011

Medford, New Jersey
November 19, 2015

This page intentionally left blank

**MEDFORD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	DUE TO GRANTOR AT JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE PASS - THROUGH STATE DEPARTMENT OF EDUCATION:										
Food Distribution Program	10.550	N/A	\$46,300	7/1/14-6/30/15	\$ -	\$ 46,300	\$ (46,300)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	N/A	107,423	7/1/14-6/30/15	-	98,461	(107,423)	-	(8,962)	-
National School Lunch Program	10.555	N/A	109,043	7/1/13-6/30/14	(22,460)	22,460	-	-	-	-
Special Milk Program	10.556	N/A	2,127	7/1/14-6/30/15	-	1,959	(2,127)	-	(168)	-
Special Milk Program	10.556	N/A	1,686	7/1/13-6/30/14	(359)	359	-	-	-	-
Healthy Hunger-Free Kids Act	10.551	N/A	9,493	7/1/14-6/30/15	-	8,667	(9,493)	-	(826)	-
Healthy Hunger-Free Kids Act	10.551	N/A	9,011	7/1/13-6/30/14	(1,932)	1,932	-	-	-	-
Total U.S. Department of Agriculture					(24,751)	180,138	(165,343)	-	(9,956)	-

U.S. DEPARTMENT OF EDUCATION PASS - THROUGH STATE DEPARTMENT OF EDUCATION:										
Title I	84.010	NCLB336015	78,579	7/1/14-6/30/15	-	71,882	(78,579)	-	(6,697)	-
Title II Part A	84.367	NCLB336015	58,659	7/1/14-6/30/15	-	56,186	(58,659)	-	(2,473)	-
I.D.E.A. Part B, Basic Regular	84.027	FT336015	638,077	7/1/14-6/30/15	-	574,907	(616,596)	-	(41,689)	-
I.D.E.A. Part B, Basic Regular	84.027	FT336014	604,488	7/1/13-6/30/14	(62,908)	62,908	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	FT336012	634,273	7/1/11-6/30/12	12,012	-	-	12,012	-	-
I.D.E.A. Preschool	84.173	FT336015	34,492	7/1/14-6/30/15	-	24,659	(24,659)	-	-	-
I.D.E.A. Preschool	84.173	FT336014	32,879	7/1/13-6/30/14	(32,879)	32,879	-	-	-	-
Total U.S. Department of Education					(83,775)	823,421	(778,493)	12,012	(50,859)	-
Total					\$ (108,526)	\$ 1,003,559	\$ (943,836)	\$ 12,012	\$ (60,815)	\$ -

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE/PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	REPAYMENT OF			BALANCE AT JUNE 30, 2015		MEMO CUMULATIVE TOTAL	
					CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE		DUE TO GRANTOR
General Fund:											
Categorical Special Education Aid	495-034-5120-089	\$ 1,680,355	7/1/14-6/30/15	\$ -	\$ 1,680,355	\$ (1,680,355)	\$ -	\$ -	\$ -	\$ 1,47,970	\$ 1,680,355
Equalization Aid	495-034-5120-078	2,700,883	7/1/14-6/30/15	-	2,700,883	(2,700,883)	-	-	-	237,837	2,700,883
Security Aid	495-034-5120-084	78,003	7/1/14-6/30/15	-	78,003	(78,003)	-	-	-	6,869	78,003
Transportation Aid	495-034-5120-014	230,547	7/1/14-6/30/15	-	230,547	(230,547)	-	-	-	20,302	230,547
Per Pupil Growth Aid	495-034-5120-097	26,465	7/1/14-6/30/15	-	26,465	(26,465)	-	-	-	2,330	26,465
PARC Readiness Aid	495-034-5120-098	26,465	7/1/14-6/30/15	-	26,465	(26,465)	-	-	-	2,330	26,465
Extraordinary Aid	495-034-5120-044	347,140	7/1/14-6/30/15	-	347,140	(347,140)	-	-	-	-	347,140
Extraordinary Aid	495-034-5120-044	449,624	7/1/13-6/30/14	(449,624)	-	-	-	-	-	-	-
Nonpublic Transportation Aid	495-034-5120-015	21,908	7/1/14-6/30/15	-	21,908	(21,908)	-	-	-	-	21,908
On Behalf TPAF Pension	495-034-5120-015	11,156	7/1/13-6/30/14	(11,156)	-	-	-	-	-	-	-
Contributions (Non-Budgeted) On Behalf TPAF Post-Retirement	100-034-5095-001	1,012,508	7/1/14-6/30/15	-	1,012,508	(1,012,508)	-	-	-	-	1,012,508
Medical (Non-Budgeted)	100-034-5095-001	1,607,357	7/1/14-6/30/15	-	1,607,357	(1,607,357)	-	-	-	-	1,607,357
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,341,318	7/1/14-6/30/15	-	1,273,826	(1,341,318)	-	(67,492)	-	-	1,341,318
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,387,063	7/1/13-6/30/14	(68,969)	68,969	-	-	-	-	-	-
Total General Fund Assistance				(529,749)	9,166,158	(9,072,949)	-	(436,540)	-	417,638	9,072,949
Special Revenue Fund:											
NJ Schools to Watch Grant	N/A	3,000	7/1/11-6/30/12	3,000	-	-	-	-	3,000	-	-
Nonpublic Aid:											
Textbooks	100-034-5120-064	23,117	7/1/14-6/30/15	-	23,117	(23,117)	-	-	-	-	23,117
Nursing	100-034-5120-070	36,897	7/1/14-6/30/15	-	36,897	(36,897)	-	-	-	-	36,897
Technology	100-034-5120-373	12,416	7/1/14-6/30/15	-	12,416	(12,416)	-	-	-	-	12,416
Home Instruction	100-034-5120-067	2,135	7/1/13-6/30/14	(2,135)	-	-	-	-	-	-	-
Supplemental Instruction	100-034-512c-066	12,869	7/1/14-6/30/15	-	12,869	(12,398)	-	-	471	-	12,398
Supplemental Instruction	100-034-512c-066	15,264	7/1/13-6/30/14	4,576	-	-	4,576	-	-	-	-
Compensatory Education	100-034-5120-067	44,252	7/1/14-6/30/15	-	44,252	(43,357)	-	-	895	-	43,357
Compensatory Education	100-034-5120-067	46,309	7/1/13-6/30/14	3,338	-	-	3,338	-	-	-	-
Speech	100-034-512a-066	27,919	7/1/14-6/30/15	-	27,919	(22,794)	-	-	5,125	-	22,794
Speech	100-034-512a-066	21,092	7/1/13-6/30/14	5,160	-	-	5,160	-	-	-	-
Examination & Classification	100-034-512b-066	13,873	7/1/14-6/30/15	-	13,873	(8,819)	-	-	5,054	-	8,819
Examination & Classification	100-034-512b-066	16,404	7/1/13-6/30/14	1,434	-	-	1,434	-	-	-	-
Total Special Revenue Fund Assistance				15,373	173,478	(159,798)	14,508	-	3,000	11,545	159,798
Capital Projects Fund:											
Milton Allen Elementary School Security	#3080-060-14-1013-G04	36,842	Completion	(1,997)	30,640	(28,643)	-	-	-	-	28,643
Chairville Elementary School Security	#3080-030-14-1001-G04	22,880	Completion	(1,997)	22,880	(20,883)	-	-	-	-	20,883
Cranberry Pines Elementary School Security	#3080-040-14-1004-G04	18,328	Completion	(1,997)	18,327	(16,330)	-	-	-	-	16,330
Haines Sixth Grade Center Security	#3080-050-14-1005-G04	18,327	Completion	(1,997)	18,327	(16,330)	-	-	-	-	16,330
Kirby's Mill Elementary School Security	#3080-045-14-1002-G04	22,880	Completion	(1,997)	22,880	(20,883)	-	-	-	-	20,883
Memorial Middle School Security	#3080-055-14-1007-G04	22,880	Completion	(1,997)	22,880	(20,883)	-	-	-	-	20,883
Taunton Forge Elementary School Security	#3080-070-14-1014-G04	18,180	Completion	(1,996)	18,180	(16,184)	-	-	-	-	16,184
Memorial Middle School Bridge Replace	#3080-055-14-1009-G04	116,447	Completion	(5,940)	-	-	-	(114,985)	-	-	109,045
Memorial Middle School Fire Alarm	#3080-055-14-1008-G04	245,913	Completion	(27,170)	-	-	-	(203,091)	-	-	203,091
Milton Allen Elementary School Cooling Tower	#3080-060-14-1010-G04	63,564	Completion	(6,172)	58,691	(52,519)	-	-	-	-	52,519
Milton Allen Elementary School Skylight	#3080-060-14-1012-G04	93,580	Completion	(9,872)	88,684	(78,812)	-	-	-	-	78,812
Total Capital Projects Fund				(63,132)	301,489	(583,603)	-	(345,246)	-	-	583,603
Enterprise Fund:											
National School Lunch Program (State Share)	100-034-5120-122	7,273	7/1/14-6/30/15	-	6,495	(7,273)	-	(778)	-	-	7,273
National School Lunch Program (State Share)	100-034-5120-122	6,398	7/1/13-6/30/14	(1,366)	1,366	-	-	-	-	-	-
Total Enterprise Fund Assistance				(1,366)	7,861	(7,273)	-	(778)	-	-	7,273
Total State Financial Assistance				\$ (578,874)	\$ 9,648,986	\$ (9,823,623)	\$ 14,508	\$ (782,564)	\$ 3,000	\$ 11,545	\$ 417,638
Less: Grants Not Subject to New Jersey OMB Circular 04-04:											
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-001	1,012,508	7/1/14-6/30/15	-	-	-	-	-	-	-	1,012,508
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	1,607,357	7/1/14-6/30/15	-	-	-	-	-	-	-	1,607,357
Total State Financial Assistance subject to New Jersey OMB Circular 04-04											\$ (7,203,758)

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

Note 1: General

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

Note 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. This basis of accounting is described in Note 1 to the District's basic financial statements.

Note 3: Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes that 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 (\$31,589) 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 District's basic financial statements on a GAAP basis as presented as follows:

**MEDFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3: Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 9,041,360	\$ -	\$ 9,041,360
Special Revenue Fund	159,798	778,493	938,291
Capital Projects Fund	583,603	-	583,603
Food Service Fund	7,273	165,343	172,616
Total Financial Assistance	<u>\$ 9,792,034</u>	<u>\$ 943,836</u>	<u>\$ 10,735,870</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: 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

The Medford Township Board of Education had no loan balance outstanding at June 30, 2015.

**MEDFORD 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?	None Reported

Federal Awards

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
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 510(A) of Circular A-133	None Reported

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**MEDFORD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2015**

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

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 04-04	None Reported

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>State-Aid Public Cluster:</u>	
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness Aid
<u>SDA Grant Cluster:</u>	
Multiple GMIS Numbers	Multiple Projects
15-495-034-5094-003	Reimbursed TPAF Social Sec. Contributions

**MEDFORD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS (continued):
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08 audit.

No Current Year Findings

Section III – Federal Awards & 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

**MEDFORD 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 and/or 15-08.

No Prior Year Findings