

MULLICA TOWNSHIP SCHOOL DISTRICT

Mullica, New Jersey

County of Atlantic

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MULLICA TOWNSHIP SCHOOL DISTRICT

MULLICA, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Mullica Board of Education
Finance Department**

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INTRODUCTORY SECTION

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MULLICA TOWNSHIP SCHOOL DISTRICT

P. O. BOX 318; 500 ELWOOD ROAD • ELWOOD, NJ • 08217 • PHONE 609-561-3868 EXT. 120 • FAX 609-561-7133

Ms. Karen Gfroehrer
Business Administrator



Mr. Matthew Mazzone
Principal

Mrs. Donna Leshner
Supervisor of Curriculum & Instruction

Mr. Thomas McLaughlin
Vice-Principal

Dr. Thomas Baruffi
Interim Superintendent

December 17, 2015

Honorable President and
Members of the Board of Education
Mullica School District
500 Elwood Road
PO Box 318
Elwood, New Jersey 08217

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04 and/or 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,

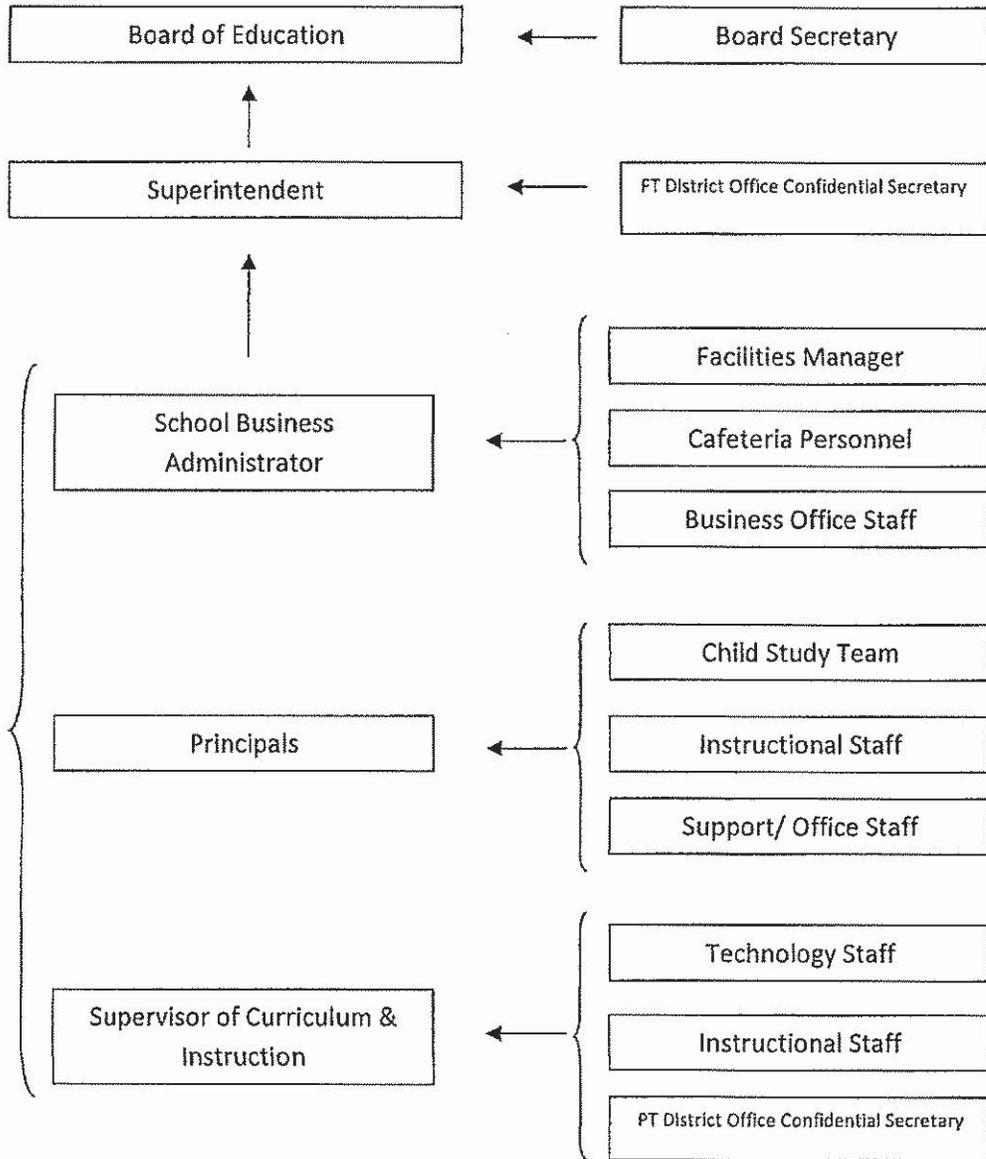


Dr. Thomas Baruffi
Interim Superintendent of Schools



Karen Gfroehrer
Business Administrator/Board Secretary

Mullica Township School District Organizational Chart (Chain of Command)



Arrows indicate the first level of communication in the Chain of Command.
 Administration evaluates staff based on Chain of Command.
 Facilities, Cafeteria, Technology & RtI report building level incidents to the appropriate supervisor based on the circumstance.

MULLICA TOWNSHIP SCHOOL DISTRICT
Mullica, New Jersey

ROSTER OF OFFICIALS

June 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Mia C. Jones, President	2016
Vickie Tomasco, Vice President	2015
Susan Brownhill	2016
Charles “Chuck” Freeland	2015
Erika Lower	2017
Sue Muessig	2017
Nick Roehnert	2017
Bob Stollenwerk	2016
Joy Wyld	2015

OTHER OFFICIALS

Dr. Thomas Baruffi, Interim Superintendent of Schools

Karen Gfroehrer, Business Administrator/Board Secretary

Dawn M. Stollenwerk, Treasurer of School Monies

Wil Donio, Cooper Levenson, Board Attorney

MULLICA TOWNSHIP SCHOOL DISTRICT
Mullica, New Jersey

CONSULTANTS AND ADVISORS

June 30, 2015

ARCHITECT OF RECORD

John Veisz
Faridy Veisz Fraytak, P.C.
1515 Lower Ferry Road
PO Box 7371
Trenton, New Jersey 08268

AUDITOR/AUDIT FIRM

Robert W. Allison, CPA, RMA
Holman Frenia Allison, P. C.
912 Highway 33, Suite 2
Freehold, New Jersey 07728

ATTORNEY

Wil Donio, Esq.
Cooper Levenson, P.A.
1125 Atlantic Avenue
Atlantic City, New Jersey 08401

OFFICIAL DEPOSITORY

TD Bank
White Horse Pike
Hammonton, New Jersey 08037

RISK MANAGEMENT AGENT

The Barclay Group
202 Broad Street
Riverton, New Jersey 08077

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Mullica Township School District
County of Atlantic
Mullica, New Jersey

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 Mullica Township School District, County of Atlantic, 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 Mullica Township School District, County of Atlantic, 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 and budgetary comparison 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 Mullica Township School District'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 December 17, 2015 on our consideration of the Mullica Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mullica Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
December 17, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MULLICA TOWNSHIP PUBLIC SCHOOL DISTRICT
500 Elwood Road, Elwood, NJ 08217

ATLANTIC COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)**

Introduction

Management's discussion and analysis of the Mullica Township School District's ("District") financial results that follows will provide statement readers with some insight into this philosophy and its impact on the educational changes taking place within the District as well as providing some understanding of the fiscal activities undertaken by the Board's administrative team to effect this change.

Change in Accounting Principle

As described in Note 21 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 \$(2,815,918), as indicated in Note 21 to the financial statements.

Basic Financial Statements

The annual report consists of a series of financial statements and notes to those statements presented so the reader can gain an understanding of the District as a financial operating entity. The overview statements then proceed to provide an increasingly detailed look at specific financial activities. These statements provide a "report card" of sorts on the District's financial transactions, including data on all assets and liabilities using full accrual accounting in a manner similar to information presented by publicly held companies. All of these activities are intended to advance the District's mission as stated at the beginning of this analysis.

The financial statements previously presented in the District's Comprehensive Annual Financial Report remain unchanged: detailed and comparative exhibits of budgeted and actual revenue and expenses by General, Special Revenue, Proprietary and Debt Service Funds. This disclosure has been expanded by the addition of the Statement of Net Position and the Statement of Activities using full accrual accounting similar to the statements used in reporting corporate financial results. Another new feature will be supplementary information that includes a comparison of the original and final budgets to the final expenditures for the General and Special Revenue Funds.

Basic Financial Statements (continued):

The Statement of Net Position presents the District's assets and liabilities in order of liquidity, except for liabilities with current and long-term elements that will be presented accordingly. Net position represents the difference between assets and liabilities, and will be presented in three categories: invested in capital assets net of related debt, restricted assets and unrestricted assets. Using this methodology requires depreciation of capital assets.

The Statement of Activities provides an overview of the cost of providing educational services by major categories of expense and revenue. These two statements report the District's net position and how they have changed year to year, reflecting a variety of influences such as the educational philosophy (i.e. dedicated to increased test scores), voter approval of tax levy, interest income, successful grant applications, etc. An additional factor influencing these results is the level of state funding received, as the flat funding over the past two years coupled with a looming decline in Federal PL874 Impact Aid funds has had a negative impact on the District's finances.

Financial Highlights

Key financial highlights for 2015 are as follows:

- For the Government-wide financials, General revenues accounted for \$9,173,711 or 65% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,865,891 or 35% of total revenue of \$14,039,602.
- Total net position of governmental activities increased by \$252,472.
- The Primary Government had \$13,800,539 in expenses; only \$4,865,891 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues of \$9,173,711, together with Fund Balance, were adequate to provide for these programs.
- The General Fund had a total fund balance of \$2,526,865.

Using this General Accepted Accounting Principles Report (GAAP)

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2015 and 2014.

Table 1

Net Position

	<u>2015</u>	<u>2014</u>
Assets:		
Cash and Cash Equivalents	\$ 2,268,516	\$ 2,154,294
Inventory	1,872	1,652
Receivables, Net	849,038	601,823
Capital Assets, Net	<u>14,303,748</u>	<u>14,617,885</u>
Total Assets	<u>17,423,174</u>	<u>17,375,654</u>
Deferred Inflow of Resources:		
Deferred Inflows Related to Pensions	<u>208,725</u>	-
Total Deferred Inflow of Resources	<u>208,725</u>	-
Total Liabilities Deferred Inflow of Resources	<u>17,631,899</u>	<u>17,375,654</u>
Liabilities:		
Current Liabilities	318,427	116,427
Noncurrent Liabilities:		
Due Within One Year	236,330	269,725
Due Beyond One Year	<u>4,873,598</u>	<u>2,428,902</u>
Total Liabilities	<u>5,428,355</u>	<u>2,815,054</u>
Deferred Inflow of Resources:		
Deferred Inflows Related to Pensions	<u>219,799</u>	-
Total Deferred Inflow of Resources	<u>219,799</u>	-
Total Liabilities Deferred Inflow of Resources	<u>5,648,154</u>	<u>2,815,054</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	12,114,494	11,681,226
Restricted for:		
Capital Projects	2,780	60,562
Debt Service	(31,254)	(33,226)
General Fund	2,644,175	2,118,529
Unrestricted	<u>(2,746,450)</u>	<u>733,509</u>
Total Net Position	<u>\$ 11,983,745</u>	<u>\$ 14,560,600</u>

Table 2 provides a comparison analysis of Government-wide changes in net position from fiscal years 2015 and 2014.

Table 2

Changes in Net Position

	<u>2015</u>	<u>2014</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 694,044	\$ 483,222
Operating Grants and Contributions	4,171,847	2,661,513
General Revenues:		
Property Taxes	3,818,997	3,818,997
Grants and Entitlements	5,113,967	5,246,888
Other	240,747	257,920
Total Revenues	<u>14,039,602</u>	<u>12,468,540</u>
<u>Program Expenses</u>		
Instruction	5,377,182	5,186,318
Support Services:		
Pupils and Instructional Staff	1,251,722	1,345,486
General Administration, School Administration, Business Operations and Maintenance of Facilities	1,947,319	1,805,197
Pupil Transportation	443,913	485,509
Employee Benefits	4,008,464	2,645,389
Interest on Long-Term Debt	70,517	78,565
Food Service	271,866	255,941
Other	429,556	394,135
Total Expenses	<u>13,800,539</u>	<u>12,196,540</u>
Increase/(Decrease) in Net Position	<u>\$ 239,063</u>	<u>\$ 272,000</u>

Governmental Activities

Annually, on the first Tuesday in November, the voters of New Jersey get an opportunity to voice their opinion on all things economic and/or political as they are asked to vote on their local school district's annual tax levy developed as part of the annual school budget process if the Board of Education decides to exceed the 2% cap. Over the last two budget cycles, the Board of Education has remained well within the 2% tax cap levy. The District remains as a minimum tax levy district. Property taxes made up 42% of revenues for governmental activities (excluding Capital Projects) for the Mullica Township School District for fiscal year 2014-15.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services, identifying the cost of these services supported by tax revenue and unrestricted State entitlements. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Governmental Activities			
	2015		2014	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 5,377,182	\$ 3,747,337	\$ 5,186,318	\$ 3,899,278
Support Services:				
Pupils and Instructional Staff	1,251,722	790,909	1,345,486	933,290
General Administration, School Administration, Business	939,526	939,526	898,266	898,266
Operation and Maintenance of Facilities	1,007,793	1,007,793	906,931	906,931
Pupil Transportation	443,913	212,646	485,509	254,242
Employee Benefits	4,008,464	1,778,968	2,645,389	1,716,184
Food Service	271,866	-	255,941	-
Other	500,073	471,636	512,808	512,808
Total Expenses	<u>\$ 13,800,539</u>	<u>\$ 8,948,815</u>	<u>\$ 12,236,648</u>	<u>\$ 9,120,999</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

School District's Funds

Information about the School District's major funds follows this report. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,425,655, and expenditures of \$12,239,896.

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 schedules present a summary of the revenues of the governmental funds (excluding Capital Projects) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 4,426,302	35.77%	\$ 205,164	5.06%
State Sources	6,926,435	55.97%	(22,533)	-0.32%
Federal Sources	934,367	7.55%	185,764	27.75%
Miscellaneous	87,524	0.71%	(15,650)	-16.94%
Total	\$ 12,374,628	100.00%	\$ 352,745	2.99%

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2015:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2013/14</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 5,314,096	43.42%	\$ 203,261	4.03%
Undistributed Expenditures	6,740,015	55.07%	587,527	9.99%
Capital Outlay	<u>185,785</u>	<u>1.52%</u>	<u>24,718</u>	<u>27.56%</u>
Total	<u>\$ 12,239,896</u>	<u>100.00%</u>	<u>\$ 815,506</u>	<u>41.94%</u>

General Fund Budgeting Highlights

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

- * Staffing changes based on student needs
- * Changes in appropriations to prevent budget overruns
- * Unplanned legal costs
- * Supported additional educational technology purchases and support services

Capital Assets

At the end of the fiscal year 2015, the School District had \$14,303,748 invested in land, buildings, equipment, and machinery.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 233,181	\$ 233,181
Construction in Progress	108,809	-
Land Improvements	185,455	185,455
Buildings and Improvements	21,133,226	21,133,226
Machinery and Equipment	454,588	444,072
Less: Accumulated Depreciation	<u>(7,811,511)</u>	<u>(7,378,049)</u>
Total	<u>\$ 14,303,748</u>	<u>\$ 14,617,885</u>

Debt Administration

At June 30, 2015, the Mullica Township Board of Education had \$2,170,000 in outstanding bonds, \$231,130 for Compensated Absences and \$2,689,544 in Net Pension Liability.

At June 30, 2015, the School District's overall legal debt margin was \$42,788,982.

Current Financial Issues and Concerns

The Mullica Board of Education boasts prudent fiscal management in the implementation of cost savings measures in collaboration with consortium involvement for Government-wide supplies, transportation, and liability insurance. Continuous monitoring of district spending trends has allowed for the succeeding budget to have minimal taxpayer impact. The district has met the demands of PARCC (Partnership for the Assessment of Readiness for College and Careers) through the purchase of Chromebooks. Additionally, the district continues to support teachers with Achieve NJ and aligning to the Common Core. The district continues to work towards facilities improvements and upgrades; this year's focus was in repair and replacement of the fire panel and student bathroom upgrades.

Contacting the School District's Financial Management Team

This financial report is designed to provide a general overview of the Mullica Township School District'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, Mullica Township Board of Education, PO Box 318, 500 Elwood Road, Elwood, New Jersey 08217.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTALS</u>
Assets:			
Cash and Cash Equivalents	\$ 2,119,186	\$ 149,330	\$ 2,268,516
Inventory	-	1,872	1,872
Accounts Receivable	807,960	41,078	849,038
Internal Balances	58,906	(58,906)	-
Capital Assets, Net (Note 5)	14,282,912	20,836	14,303,748
Total Assets	17,268,964	154,210	17,423,174
Deferred Outflow of Resources:			
Deferred Outflows Related to Pensions	208,725	-	208,725
Total Deferred Outflow of Resources	208,725	-	208,725
Total Assets and Deferred Outflow of Resources	17,477,689	154,210	17,631,899
Liabilities:			
Accounts Payable	123,883	19,870	143,753
Accrued Interest	31,255	-	31,255
PERS Pension Payable	124,151	-	124,151
Unearned Revenue	18,946	322	19,268
Noncurrent Liabilities (Note 6):			
Due Within One Year	236,330	-	236,330
Due Beyond One Year	4,873,598	-	4,873,598
Total Liabilities	5,408,163	20,192	5,428,355
Deferred Inflow of Resources:			
Deferred Inflows Related to Pensions	219,799	-	219,799
Total Deferred Inflow of Resources	219,799	-	219,799
Total Liabilities and Deferred Inflow of Resources	5,627,962	20,192	5,648,154
Net Position:			
Net Investment in Capital Assets	12,093,658	20,836	12,114,494
Restricted for:			
Capital Projects	2,780	-	2,780
Debt Service Fund	(31,254)	-	(31,254)
Other Purposes	2,644,175	-	2,644,175
Unrestricted	(2,859,632)	113,182	(2,746,450)
Total Net Position	\$ 11,849,727	\$ 134,018	\$ 11,983,745

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

MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular	\$ 4,365,763	\$ 607,305	\$ 1,022,540	\$ (2,735,918)	\$ -	\$ (2,735,918)
Special Education	864,139	-	-	(864,139)	-	(864,139)
Other Special Instruction	97,804	-	-	(97,804)	-	(97,804)
Other Instruction	49,476	-	-	(49,476)	-	(49,476)
Support Services:						
Tuition	140,711	-	-	(140,711)	-	(140,711)
Student and Instruction Related						
Services	1,111,011	-	460,813	(650,198)	-	(650,198)
General Administration	302,668	-	-	(302,668)	-	(302,668)
School Administrative Services	297,806	-	-	(297,806)	-	(297,806)
Central Services	211,251	-	-	(211,251)	-	(211,251)
Administrative Information Technology	127,801	-	-	(127,801)	-	(127,801)
Plant Operations and Maintenance	1,007,793	-	-	(1,007,793)	-	(1,007,793)
Pupil Transportation	443,913	-	231,267	(212,646)	-	(212,646)
Employee Benefits	4,008,464	-	2,229,496	(1,778,968)	-	(1,778,968)
Unallocated Depreciation and						
Amortization	429,556	-	-	(429,556)	-	(429,556)
Interest and Charges on Long-Term Debt	70,517	-	28,437	(42,080)	-	(42,080)
Total Government Activities	13,528,673	607,305	3,972,553	(8,948,815)	-	(8,948,815)
BUSINESS-TYPE ACTIVITIES						
Food Service	271,866	86,739	199,294	-	14,167	14,167
Total Business-Type Activities	271,866	86,739	199,294	-	14,167	14,167
Total Primary Government	\$ 13,800,539	\$ 694,044	\$ 4,171,847	\$ (8,948,815)	\$ 14,167	\$ (8,934,648)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes				\$ 3,505,220	\$ -	\$ 3,505,220
Debt Service				313,777	-	313,777
Federal and State Aid Not Restricted				5,113,967	-	5,113,967
Miscellaneous Income				240,747	-	240,747
Transfers In/(Out)				27,576	(27,576)	-
Total General Revenues				9,201,287	(27,576)	9,173,711
Change in Net Position				252,472	(13,409)	239,063
Net Position - Beginning, As Restated (See Note 19)				11,597,255	147,427	11,744,682
Net Position - Ending				\$ 11,849,727	\$ 134,018	\$ 11,983,745

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

B. Fund Financial Statements

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Governmental Funds

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MULLICA TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Assets:					
Cash and Cash Equivalents	\$ 991,051	\$ -	\$ -	\$ -	\$ 991,051
Receivables From Other Governments:					
State	45,504	-	57,911	-	103,415
Federal	-	371,725	-	-	371,725
Other Receivables	306,672	-	-	26,148	332,820
Due From Other Funds	195,318	-	-	-	195,318
Restricted Cash	1,057,658	-	-	-	1,057,658
Total Assets	2,596,203	371,725	57,911	26,148	3,051,987
Liabilities and Fund Balances					
Liabilities:					
Cash Deficit	-	217,499	55,131	26,147	298,777
Accounts Payable	69,338	53,593	-	-	122,931
Interfunds Payable	-	127,760	-	-	127,760
Unearned Revenue	-	18,946	-	-	18,946
Total Liabilities	69,338	417,798	55,131	26,147	568,414
Fund Balances:					
Restricted Fund Balance:					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures	550,000	-	-	-	550,000
Reserve for Excess Surplus	1,036,517	-	-	-	1,036,517
Debt Service	-	-	-	1	1
Capital Reserve	455,175	-	-	-	455,175
Maintenance Reserve	352,483	-	-	-	352,483
Emergency Reserve	250,000	-	-	-	250,000
Committed for:					
Capital Projects	-	-	2,780	-	2,780
Assigned:					
Designated for Subsequent Year's Expenditures	42,195	-	-	-	42,195
Unassigned	(159,505)	(46,073)	-	-	(205,578)
Total Fund Balances	2,526,865	(46,073)	2,780	1	2,483,573
Total Liabilities and Fund Balances	\$ 2,596,203	\$ 371,725	\$ 57,911	\$ 26,148	

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 governmental funds. The cost of the assets is \$22,010,843 and the accumulated depreciation is \$7,727,931 (See Note 5).	14,282,912
Long-term liabilities, including bonds payable, compensated absences and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 6).	(5,109,928)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the fund financial statements.	(11,074)
Accrued interest payable and PERS pension payable are not recorded in the fund financial statements due to the fact that payables are not due in the current period.	(155,406)
Internal Service Net Position	359,650
Net Position of Governmental Activities	\$ 11,849,727

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

MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,505,220	\$ -	\$ -	\$ 313,777	\$ 3,818,997
Tuition Charges	607,305	-	-	-	607,305
Miscellaneous	87,266	258	-	-	87,524
Total - Local Sources	4,199,791	258	-	313,777	4,513,826
State Sources	6,431,793	466,205	51,027	28,437	6,977,462
Federal Sources	45,744	888,623	-	-	934,367
Total Revenues	10,677,328	1,355,086	51,027	342,214	12,425,655
Expenditures:					
Current:					
Regular Instruction	3,280,137	1,022,540	-	-	4,302,677
Special Education Instruction	864,139	-	-	-	864,139
Other Special Instruction	97,804	-	-	-	97,804
Other Instruction	49,476	-	-	-	49,476
Support Services and Undistributed Costs:					
Tuition	140,711	-	-	-	140,711
Student and Instruction Related Services	650,198	460,813	-	-	1,111,011
General Administration	302,668	-	-	-	302,668
School Administrative Services	297,806	-	-	-	297,806
Central Services	211,251	-	-	-	211,251
Administrative Information Technology	127,801	-	-	-	127,801
Plant Operations and Maintenance	930,817	-	-	-	930,817
Pupil Transportation	443,913	-	-	-	443,913
Employee Benefits	2,831,824	-	-	-	2,831,824
Debt Service:					
Principal	-	-	-	269,725	269,725
Interest and Other Charges	-	-	-	72,488	72,488
Capital Outlay	76,976	-	108,809	-	185,785
Total Expenditures	10,305,521	1,483,353	108,809	342,213	12,239,896
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	371,807	(128,267)	(57,782)	1	185,759
Other Financing Sources/(Uses):					
Operating Transfer In/(Out)	17,484	135,092	-	-	152,576
Total Other Financing Sources/(Uses)	17,484	135,092	-	-	152,576
Net Change in Fund Balances	389,291	6,825	(57,782)	1	338,335
Fund Balance/(Deficit) - July 1	2,137,574	(52,898)	60,562	-	2,145,238
Fund Balance/(Deficit) - June 30	\$ 2,526,865	\$ (46,073)	\$ 2,780	\$ 1	\$ 2,483,573

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

**MULLICA TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	338,335
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, on 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 depreciation exceeded capital outlay in the current fiscal year.</p>		
Depreciation Expense	\$ (431,172)	
Capital Outlay	<u>108,809</u>	(322,363)
<p>Repayment of bond and loan 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.</p>		
		215,000
<p>Repayment of capital lease 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.</p>		
		54,725
<p>Bond premiums are amortized over the lives of the bonds in the Statement of Activities but are recorded as an addition from the proceeds from sales of bonds in the governmental funds.</p>		
Current Year	(14,539)	
Prior Year	<u>16,155</u>	1,616
<p>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.</p>		
PERS District Pension Contribution - 2015	118,424	
State Share of Unfunded TPAF Pension Expense	1,174,691	
Unfunded TPAF Pension Expense	(1,174,691)	
Pension Expense	<u>(127,275)</u>	(8,851)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
Current Year	(231,130)	
Prior Year	<u>238,032</u>	6,902
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The (decrease)/increase in accrued interest from the previous year is an increase/(decrease) in the reconciliation.</p>		
Current Year	(31,255)	
Prior Year	<u>33,226</u>	1,971
Change in Net Position of the Internal Service Fund		<u>(34,863)</u>
Change in Net Position of Governmental Activities	\$	<u><u>252,472</u></u>

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

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Proprietary Funds

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MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	FOOD SERVICE	LATCHKEY PROGRAM	TOTALS	INTERNAL SERVICE FUND TOTALS
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 121,754	\$ 27,576	\$ 149,330	\$ 369,254
Accounts Receivable:				
State	926	-	926	-
Federal	40,152	-	40,152	-
Inventories	1,872	-	1,872	-
Interfund Receivable - Due From Internal Service	8,652	-	8,652	-
Total - Current Assets	173,356	27,576	200,932	369,254
Noncurrent Assets:				
Furniture, Machinery and Equipment	104,416	-	104,416	-
Less:				
Accumulated Depreciation	(83,580)	-	(83,580)	-
Total - Noncurrent Assets	20,836	-	20,836	-
Total Assets	\$ 194,192	\$ 27,576	\$ 221,768	\$ 369,254
LIABILITIES AND NET POSITION				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 19,870	\$ -	\$ 19,870	\$ 952
Unearned Revenue	322	-	322	-
Interfund Payable:				
General Fund	39,982	27,576	67,558	-
Due To Food Service Fund	-	-	-	8,652
Total Liabilities	60,174	27,576	87,750	9,604
Net Position:				
Net Investment in Capital Assets	20,836	-	20,836	-
Unrestricted	113,182	-	113,182	359,650
Total Net Position	\$ 134,018	\$ -	\$ 134,018	\$ 359,650

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

MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	FOOD SERVICE	LATCHKEY PROGRAM	TOTALS	INTERNAL SERVICE FUND TOTALS
Operating Revenues:				
Charges for Services:				
Daily Sales				
Reimbursable Programs	\$ 68,210	\$ -	\$ 68,210	\$ -
Non-Reimbursable Programs	13,064	-	13,064	-
Special Functions	2,660	-	2,660	-
Miscellaneous	2,805	-	2,805	-
Shared Service - Washington Twp. School	-	-	-	153,223
Total Operating Revenues	86,739	-	86,739	153,223
Operating Expenses:				
Salaries	95,697	-	95,697	60,070
Support Services - Employee Benefits	18,885	-	18,885	-
Purchased Professional/Technical Services	28,635	-	28,635	-
Other Purchased Services	1,454	-	1,454	-
Supplies and Materials	12,350	-	12,350	-
Travel	87	-	87	3,016
Depreciation	2,290	-	2,290	-
Cost of Sales	109,662	-	109,662	-
Miscellaneous Expenditures	2,806	-	2,806	-
Total Operating Expenses	271,866	-	271,866	63,086
Operating (Loss)/Income	(185,127)	-	(185,127)	90,137
Non-Operating Revenues:				
State Sources:				
State School Lunch Program	3,734	-	3,734	-
Federal Sources:				
National School Lunch Program	149,770	-	149,770	-
Healthy Hunger Free Kids Act	4,356	-	4,356	-
National School Breakfast Program	20,428	-	20,428	-
Food Distribution Program	21,006	-	21,006	-
Total Non-Operating Revenues	199,294	-	199,294	-
Income/(Loss) Before Contributions and Transfers	14,167	-	14,167	90,137
Other Financing Sources/(Uses):				
Transfers Out	-	(27,576)	(27,576)	(125,000)
Total Other Financing Sources/(Uses)	-	(27,576)	(27,576)	(125,000)
Change in Net Position	14,167	(27,576)	(13,409)	(34,863)
Total Net Position - Beginning	119,851	27,576	147,427	394,513
Total Net Position - Ending	\$ 134,018	\$ -	\$ 134,018	\$ 359,650

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

MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	FOOD SERVICE	LATCHKEY PROGRAM	TOTALS	INTERNAL SERVICE FUND TOTALS
Cash Flows From Operating Activities:				
Receipts From Customers	\$ 90,062	\$ -	\$ 90,062	\$ 168,521
Payments To Employees	(95,697)	-	(95,697)	(62,932)
Payments for Employee Benefits	(18,885)	-	(18,885)	-
Payments To Suppliers	(134,802)	-	(134,802)	-
Net Cash Provided By/(Used For) Operating Activities	(159,322)	-	(159,322)	105,589
Cash Flows From Noncapital Financing Activities:				
State & Federal Sources	155,191	-	155,191	-
Interfund Transfers	-	-	-	(125,000)
Net Cash Provided By/(Used For) Noncapital Financing Activities	155,191	-	155,191	(125,000)
Cash Flows From Capital and Related Financing Activities:				
Purchase of Capital Assets	(10,516)	-	(10,516)	-
Net Cash Provided By Investing Activities	(10,516)	-	(10,516)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(14,647)	-	(14,647)	(19,411)
Balance - Beginning of Year	136,401	27,576	163,977	388,665
Balance - End of Year	\$ 121,754	\$ 27,576	\$ 149,330	\$ 369,254
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:				
Operating (Loss)/Income	(185,127)	-	(185,127)	90,137
Depreciation	2,290	-	2,290	-
Donated Commodities Received During the Year	21,006	-	21,006	-
(Increase)/Decrease in Accounts Receivable	2,203	-	2,203	15,298
(Increase)/Decrease in Interfunds Receivable	798	-	798	-
(Increase)/Decrease in Inventories	(220)	-	(220)	-
Increase/(Decrease) in Accounts Payable	14,267	-	14,267	952
Increase/(Decrease) in Interfunds Payable	(14,861)	-	(14,861)	(798)
Increase/(Decrease) in Deferred Revenue	322	-	322	-
Total Adjustments	25,805	-	25,805	15,452
Net Cash Used for Operating Activities	\$ (159,322)	\$ -	\$ (159,322)	\$ 105,589

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

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Fiduciary Fund

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**MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015**

	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUND	TOTALS
Assets:			
Cash and Cash Equivalents	\$ 209,604	\$ 72,438	\$ 282,042
Total Assets	<u>209,604</u>	<u>72,438</u>	<u>282,042</u>
Liabilities:			
Due To Student Groups	-	61,133	61,133
Due to State	-	48	48
Accounts Payable	-	2,609	2,609
Payroll Deductions and Withholdings	-	5,724	5,724
Payroll Reserve	-	2,924	2,924
Total Liabilities	<u>-</u>	<u>72,438</u>	<u>72,438</u>
Net Position:			
Held in Trust for Unemployment Claims and Other Purposes	<u>209,604</u>	<u>-</u>	<u>209,604</u>
Total Net Position	<u>209,604</u>	<u>-</u>	<u>209,604</u>
Total Liabilities and Net Position	<u>\$ 209,604</u>	<u>\$ 72,438</u>	<u>\$ 282,042</u>

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

**MULLICA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
Additions:		
Contributions:		
Plan Members	\$ 11,847	\$ 11,847
	<hr/>	<hr/>
Total Additions	11,847	11,847
	<hr/>	<hr/>
Change in Net Position	11,847	11,847
	<hr/>	<hr/>
Net Position - Beginning of Year	197,757	197,757
	<hr/>	<hr/>
Net Position - End of Year	\$ 209,604	\$ 209,604
	<hr/> <hr/>	<hr/> <hr/>

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

MULLICA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

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MULLICA TOWNSHIP SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies

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

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

Reporting Entity

The Mullica Township School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The District provides a full range of educational services appropriate to grade levels K through 8. The Mullica Township School District has an approximate enrollment at June 30, 2015 of 770 students.

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

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

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

Component Units

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

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

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

Government-Wide Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

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

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

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

presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

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

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

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

fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund 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

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

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

and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

The District reports the following major proprietary fund:

Enterprise Fund- The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

All propriety funds are accounted for on a flow of economic recovery. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into investment in capital assets net of related debt and unrestricted net position.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings & Improvements	10-50 Years
Equipment	12 Years
Light Trucks & Vehicle	4 Years
Heavy Trucks & Vehicle	6 Years

The District’s enterprise fund is composed of the following:

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

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

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

Internal Service/Shared Services Fund – This fund accounts for the revenues and expenses pertaining to the shared service agreement with Washington Township School District.

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 fund:

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.

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.

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.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

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

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.

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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

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

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.

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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

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

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 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.

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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

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

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.
- 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:

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

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

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

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 Inflows/Outflows 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,

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

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

represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2015 through the date of December 17, 2015, which is the date the financial statements were available to be issued.

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 \$2,485,630 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized by securities held by Pledging financial institution	1,757,322
Uninsured and uncollateralized	<u>478,308</u>
Total	<u>\$ 2,485,630</u>

Investments

New Jersey statues 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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 2. Cash and Cash Equivalents (continued):

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..

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. Reserve Accounts

A. Capital Reserve

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

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

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

Beginning Balance, July 1, 2014	\$ 355,175
Additions:	
Current Year Transfer of Surplus, per Board Resolution	<u>100,000</u>
Ending Balance, June 30, 2015	<u><u>\$ 455,175</u></u>

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

A. Capital Reserve (continued):

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$5,025,346. The withdrawals from the capital reserve were used in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

B. Maintenance Reserve

A Maintenance Reserve Account was established the Mullica Township School District for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (\$1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, N.J.A.C.6A:26A, for further guidance. A separate line is provided in the Audsum for this reserve account.

Beginning Balance, July 1, 2014	\$	331,533
Additions:		
Current Year Transfer of Surplus, per Board Resolution		100,000
Deductions:		
Utilization in Current Year Budget		79,050
Ending Balance, June 30, 2015	\$	352,483

C. Emergency Reserve

An Emergency Reserve Account was established by the Mullica School District for the accumulation of funds for use in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district School District between June 1 and June 30.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 3. Reserve Accounts (continued):

C. Emergency Reserve (continued):

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

Beginning Balance, July 1, 2014	\$	250,000
Additions:		
Current Year Transfer of Surplus, per Board Resolution		-
Ending Balance, June 30, 2015	\$	250,000

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:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Proprietary Funds	Total
State Aid	\$ 45,504	\$ -	\$ 57,911	\$ -	\$ 926	\$ 104,341
Federal Aid	-	371,725	-	-	40,152	411,877
Tax Levy	292,103	-	-	26,148	-	318,251
Other	14,569	-	-	-	-	14,569
Total	\$ 352,176	\$ 371,725	\$ 57,911	\$ 26,148	\$ 41,078	\$ 849,038

Note 5. Capital Assets

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

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 5. Capital Assets (continued):

	June 30, 2014	Additions	Deletions	June 30, 2015
Governmental Activities:				
Capital assets that are not being depreciated:				
Land	\$ 233,181	\$ -	\$ -	\$ 233,181
Construction in Progress	-	108,809	-	108,809
<hr/>				
Total capital assets not being depreciated	233,181	108,809	-	341,990
<hr/>				
Land Improvements	185,455	-	-	185,455
Buildings and improvements	21,133,226	-	-	21,133,226
Machinery and equipment	350,172	-	-	350,172
<hr/>				
Subtotal	21,668,853	-	-	21,668,853
Less: accumulated depreciation:				
Land Improvements	(86,811)	(8,319)	-	(95,130)
Buildings and improvements	(6,932,372)	(406,166)	-	(7,338,538)
Machinery and equipment	(277,576)	(16,687)	-	(294,263)
<hr/>				
Total accumulated depreciation	(7,296,759)	(431,172)	-	(7,727,931)
<hr/>				
Total capital assets being depreciated, net	14,372,094	(431,172)	-	13,940,922
<hr/>				
Governmental activities capital assets, net	\$ 14,605,275	\$ (322,363)	\$ -	\$ 14,282,912
<hr/> <hr/>				

	June 30, 2014	Additions	Deletions	June 30, 2015
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 93,900	\$ 10,516	\$ -	\$ 104,416
<hr/>				
Subtotal	93,900	10,516	-	104,416
Less accumulated depreciation:				
Equipment	(81,290)	(2,290)	-	(83,580)
<hr/>				
Total accumulated depreciation	(81,290)	(2,290)	-	(83,580)
<hr/>				
Enterprise Fund Capital Assets	\$ 12,610	\$ 8,226	\$ -	\$ 20,836
<hr/> <hr/>				

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

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

	June 30, 2014	Accrued/ Increases	Retired/ Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 2,385,000	\$ -	\$ (215,000)	\$ 2,170,000	\$ 230,000
Premium on Bonds	16,155	-	(1,616)	14,539	1,615
Capital Lease Payable	59,440	-	(54,725)	4,715	4,715
Compensated Absences Payable	238,033	-	(6,903)	231,130	-
Net Pension Liability	2,815,918	-	(126,374)	2,689,544	-
	<hr/>				
Subtotal	\$ 5,514,546	\$ -	\$ (404,618)	\$ 5,109,928	\$ 236,330
	<hr/>				

B. Bonds Payable

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

On June 9, 2011, the Board issued \$2,860,000 in general obligation bonds with an average interest rate of 3.230430% to advance refund \$2,769,000 of outstanding series bonds with an average interest rate of 4.507824%. The net proceeds of \$2,881,001 (after payment of \$47,401 in underwriting fees, insurance and other issuance costs) included an original issuance premium of \$21,001. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the series bonds. As a result, the series bonds are considered to be defeased and the liability for these bonds has been removed from net position.

This refunding resulted in a net present value savings of \$174,512. In addition, the savings resulted from the refunding were as follows:

Cash Flow Requirements to Service (Old) Debt	\$ 3,681,380
Less: Cash Flow Requirements for New Debt	<u>(3,471,714)</u>
Net Savings from Refunding	<u>\$ 209,666</u>

The Bonds are not subject to redemption prior to maturity.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 6. Long-Term Obligations (continued):

B. Bonds Payable (continued):

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) “Continuing Disclosure” requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. This requirement is effective for the fiscal years ended June 30, 2003 and thereafter and to date has been complied with.

Debt Service requirements on serial bonds payable at June 30, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015/16	\$ 230,000	\$ 64,743	\$ 294,743
2016/17	240,000	58,893	298,893
2017/18	245,000	53,736	298,736
2018/19	250,000	47,230	297,230
2019/20	245,000	38,555	283,555
2020/21-2023/24	960,000	69,165	1,029,165
	\$ 2,170,000	\$ 332,321	\$ 2,502,321

C. Bonds Authorized But Not Issued

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

D. Capital Leases

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Capital Assets and the Long-Term Obligations, respectively. The District has a commitment to lease retrofit lighting and HVAC conversion under a lease totaling \$554,667 that will expire in the year ended June 30, 2016. Total lease payments made during the year ended June 30, 2015 were \$53,213. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2015:

<u>Year Ended June 30,</u>	<u>Amount</u>
2015/16	\$ 4,739
Total Future Minimum Lease Payments	4,739
Less Amount Representing Interest	(24)
Present Value of Lease Payments	\$ 4,715

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 7. Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 195,318	\$ -
Special Revenue Fund	-	127,760
Latchkey Program Fund	-	27,576
Internal Service Fund	-	8,652
Food Service Fund	8,652	39,982
	<hr/>	<hr/>
Total	<u>\$ 203,970</u>	<u>\$ 203,970</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	\$ 82,419	\$ 167,742
Special Revenue Fund	127,760	-
Latchkey Program Fund	-	27,576
Internal Service Fund	-	798
Food Service Fund	40,780	54,843
Unemployment Trust Fund	3,707	-
Payroll Trust Fund	-	3,707
	<hr/>	<hr/>
	<u>\$ 254,666</u>	<u>\$ 254,666</u>

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

Note 8. Inventory

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

Food		\$ 1,361
Supplies		<u>511</u>
Total	\$	<u>\$ 1,872</u>

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to

The Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.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

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. 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 Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 118,424	100%	\$ 2,689,544
6/30/2014	129,225	100%	2,815,918
6/30/2013	123,593	100%	N/A

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$2,689,544 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 .01437%, which was a decrease of .00036% 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	\$ 208,725	\$ 118,424
Deferred Inflows of Resources	\$ 219,799	N/A
Net Pension Liability	\$ 2,689,544	\$ 2,815,918
District's portion of the Plan's total net pension Liability	0.01437%	0.01473%

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. 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 \$127,275. 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	84,574	-
Net difference between projected and actual earnings on pension plan investments	-	160,282
Changes in proportion and differences between District contributions and proportionate share of contributions	-	59,517
District contributions subsequent to the measurement date	124,151	-
Total	\$ 208,725	\$ 219,799

The \$124,151 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	\$	(30,827)
2017		(30,827)
2018		(30,827)
2019		(30,827)
2020		(30,827)
Thereafter		18,911

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. Pension Obligations (continued):

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

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:

	<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%	

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. 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	\$ 3,383,538	\$ 2,689,544	\$ 2,106,766

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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 9. 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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 9. Pension Obligations (continued):

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

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

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 695,274	100%	-
6/30/2014	560,440	100%	-
6/30/2013	641,987	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.

	TPAF
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.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 9. 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

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2015

Note 9. 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 \$14,225, and the District recognized pension expense of \$7,839, which includes \$370 for 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 10. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 11. 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 its 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 district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district’s trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2014-2015	\$ -	\$ 11,847	\$ -	\$ 209,604
2013-2014	-	11,368	-	197,757
2012-2013	-	10,825	-	186,389

Note 12. 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.

Note 13. 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.

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015

Note 14. Deferred Compensation

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

TSA Consulting Group

Note 15. Compensated Absences

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

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

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 \$231,130.

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

Note 16. Fund Balance Disclosure

General Fund (Exhibit B-1) – Of the \$2,526,865 General Fund fund balance at June 30, 2015, \$550,000 is restricted for excess surplus designated for subsequent; \$1,036,517 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$455,175 has been reserved in the Capital Reserve Account; \$352,483 has been reserved in the Maintenance Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$42,195 is assigned as designated for subsequent year expenditures and \$(159,505) is unassigned.

Capital Projects Fund – Of the \$2,780 Capital Projects Fund fund balance at June 30, 2015, \$2,780 is committed for future Capital Projects.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2015, \$1 is restricted for future Debt Service.

Special Revenue Fund – Of the \$(46,073) Special Revenue Fund fund balance at June 30, 2015, \$(46,073) is unassigned.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2015**

Note 17. Calculation of Excess Surplus

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. 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 excess fund balance at June 30, 2015 is \$1,036,517.

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 \$31,254 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 \$2,859,632 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 general obligation bonds, capital leases, 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.

Note 19. Restatement of Net Position

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

		Governmental Activities
Net Position as previously reported at June 30, 2014	\$	14,413,173
Prior period adjustment - Implementation of GASB 68:		
Net Pension Liability (measurement date as of June 30, 2014)		(2,815,918)
Deferred Outflows - district contributions made during fiscal year 2015		118,424
PERS Pension Payable (2015 district PERS Pension Contribution)		(118,424)
Total Prior Period Adjustment		<u>(2,815,918)</u>
Net Position as restated, July 1, 2014	\$	<u>11,597,255</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MULLICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

		June 30, 2015				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES:						
Local Sources:						
Local Tax Levy	10-1210	\$ 3,505,220	\$ -	\$ 3,505,220	\$ 3,505,220	\$ -
Tuition	10-1300	408,552	-	408,552	607,305	198,753
Unrestricted Miscellaneous Revenues	10-1XXX	-	-	-	87,266	87,266
Total Local Sources		3,913,772	-	3,913,772	4,199,791	286,019
State Sources:						
Categorical Special Education Aid	10-3132	361,974	-	361,974	361,974	-
Equalization Aid	10-3176	4,048,982	-	4,048,982	4,048,982	-
Categorical Security Aid	10-3177	145,886	-	145,886	145,886	-
Adjustment Aid	10-3178	554,184	-	554,184	554,184	-
Categorical Transportation Aid	10-3121	231,267	-	231,267	231,267	-
Extraordinary Aid	10-3131	-	-	-	25,741	25,741
Under Adequacy Aid	10-3175	11,546	-	11,546	11,546	-
Per Pupil Growth Aid	10-3XXX	6,170	-	6,170	6,170	-
PARCC Readiness Aid	10-3XXX	6,170	-	6,170	6,170	-
Non Public Transportation Aid	10-3XXX	-	-	-	2,262	2,262
TPAF Pension Contributions (On-Behalf - Non-Budgeted)		-	-	-	268,705	268,705
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	426,569	426,569
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	359,531	359,531
Total State Sources		5,366,179	-	5,366,179	6,448,987	1,082,808
Federal Sources:						
Medicaid Aid Reimbursement		-	-	-	38,480	38,480
Medicaid Aid Reimbursement - ARRA Funds		-	-	-	7,264	7,264
Total Federal Sources		-	-	-	45,744	45,744
Total Revenues		9,279,951	-	9,279,951	10,694,522	1,414,571
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	377,549	72,118	449,667	448,560	1,107
Grades 1-5	11-120-100-101	1,378,528	83,775	1,462,303	1,455,051	7,252
Grades 6-8	11-130-100-101	1,266,971	(73,835)	1,193,136	1,150,803	42,333
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	12,000	(1,621)	10,379	5,621	4,758
Purchased Prof. Ed Services	11-150-100-320	-	2,501	2,501	2,501	-
Other Purchased Services	11-190-100-500	15,180	20,656	35,836	32,555	3,281
General Supplies	11-190-100-610	222,586	(26,444)	196,142	165,077	31,065
Textbooks	11-190-100-640	25,420	-	25,420	9,776	15,644
Other Objects	11-190-100-800	17,500	-	17,500	10,193	7,307
Total Regular Programs - Instruction		3,315,734	77,150	3,392,884	3,280,137	112,747
Spec. Educ. - Instruction - Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	185,039	8,597	193,636	193,635	1
Other Salaries for Instruction	11-212-100-106	221,494	(122,921)	98,573	95,822	2,751
General Supplies	11-212-100-610	300	(300)	-	-	-
Total Spec. Educ. - Instruct. - Multiple Disabilities		406,833	(114,624)	292,209	289,457	2,752
Sp. Educ. - Instruction - Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	411,951	44,349	456,300	456,114	186
Other Salaries for Instruction	11-213-100-106	19,808	99,165	118,973	118,568	405
General Supplies	11-213-100-610	500	(460)	40	-	40
Total Sp. Educ. - Instruction - Resource Room/Resource Center		432,259	143,054	575,313	574,682	631
Total Special Education - Instruction		839,092	28,430	867,522	864,139	3,383
Basic Skills/Remedial - Instruction:						
Salaries of Teachers	11-230-100-101	122,211	1,931	124,142	67,628	56,514
General Supplies	11-230-100-610	500	-	500	-	500
Total Basic Skills/Remedial - Instruction		122,711	1,931	124,642	67,628	57,014

MULICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

		June 30, 2015				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Bilingual Education - Instruction:						
Salaries of Teachers	11-240-100-101	41,563	2,480	44,043	30,176	13,867
Total Bilingual Education - Instruction		41,563	2,480	44,043	30,176	13,867
School-Sponsored Co/Extra Curricular Activities - Instruction:						
Salaries	11-401-100-100	31,938	1,859	33,797	24,443	9,354
Total School-Sponsored Co/Extra Curricular Activites - Instruction		31,938	1,859	33,797	24,443	9,354
School-Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	16,020	2,615	18,635	13,140	5,495
Other Objects	11-402-100-800	1,500	-	1,500	322	1,178
Total School-Sponsored Athletics - Instruction		17,520	2,615	20,135	13,462	6,673
Summer School- Instruction:						
Salaries of Teachers	11-422-100-101	10,476	1,047	11,523	8,432	3,091
Other Salaries of Instruction	11-422-100-106	3,920	(781)	3,139	3,139	-
Total Summer School- Instruction:		14,396	266	14,662	11,571	3,091
Total - Instruction		4,382,954	114,731	4,497,685	4,291,556	206,129
Undist. Expend. - Instruction:						
Tuition To Other LEAs Within the State - Special	11-000-100-562	29,000	(13,124)	15,876	14,849	1,027
Tuition To CSSD & Regular Day Schools	11-000-100-565	65,732	(9,494)	56,238	36,764	19,474
Tuition To Priv. Sch for the Disabled Within State	11-000-100-566	62,433	27,265	89,698	75,528	14,170
Tuition To State Facilities	11-000-100-568	-	13,570	13,570	13,570	-
Total Undist. Expend. - Instruction		157,165	18,217	175,382	140,711	34,671
Undist. Expend. - Attendance and Social Work:						
Salaries	11-000-211-100	6,196	322	6,518	6,518	-
Other Purchased Services	11-000-211-500	200	-	200	105	95
Total Undist. Expend. - Attendance and Social Work		6,396	322	6,718	6,623	95
Undist. Expend. - Health Services:						
Salaries	11-000-213-100	19,314	2,200	21,514	20,921	593
Purchased Professional Educational Services	11-000-213-300	71,327	(973)	70,354	66,906	3,448
Supplies and Materials	11-000-213-600	2,000	975	2,975	2,975	-
Total Undist. Expend. - Health Services		92,641	2,202	94,843	90,802	4,041
Undist. Expend. - Speech, OT, PT, & Related Services:						
Salaries	11-000-216-100	110,932	650	111,582	108,029	3,553
Purchased Professional - Educational Services	11-000-216-320	32,782	263	33,045	24,511	8,534
Supplies and Materials	11-000-216-600	200	1,225	1,425	1,425	-
Total Undist. Expend. - Speech, OT, PT, & Related Services:		143,914	2,138	146,052	133,965	12,087
Undist. Expend. - Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	254,095	5,055	259,150	243,784	15,366
Salaries of Secretarial & Clerical Assistants	11-000-219-105	33,145	950	34,095	33,957	138
Other Purchased Professional & Technical Services	11-000-219-390	3,663	(152)	3,511	2,911	600
Miscellaneous Purchased Services	11-000-219-592	350	2,916	3,266	3,204	62
Supplies and Materials	11-000-219-600	2,000	(990)	1,010	956	54
Other Objects	11-000-219-800	375	(129)	246	246	-
Total Undist. Expend. - Child Study Teams		293,628	7,650	301,278	285,058	16,220
Undist. Expend. - Improvement of Instructional Services:						
Salaries of Supervisor of Instruction	11-000-221-102	91,177	-	91,177	91,177	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	15,151	3,291	18,442	18,070	372
Other Purchased Professional & Technical Services	11-000-221-390	8,100	(1,221)	6,879	4,563	2,316
Other Purchased Services	11-000-221-500	1,500	(343)	1,157	423	734
Supplies & Materials	11-000-221-600	1,500	-	1,500	1,151	349
Other Objects	11-000-221-800	1,469	(387)	1,082	1,082	-
Total Undist. Expend. - Improvement of Instructional Services		118,897	1,340	120,237	116,466	3,771

MULLICA TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2015

		June 30, 2015				VARIANCE
		ORIGINAL	BUDGET	FINAL	ACTUAL	FINAL TO
		BUDGET	TRANSFERS	BUDGET		ACTUAL
Undist. Expend. - Educational Media/School Library:						
Salaries	11-000-222-100	80,713	(59,515)	21,198	7,762	13,436
Purchased Professional and Technical Services	11-000-222-300	9,075	-	9,075	1,901	7,174
Other Purchased Services	11-000-222-500	8,150	1,949	10,099	4,355	5,744
Supplies and Materials	11-000-222-600	2,450	605	3,055	289	2,766
Other Objects	11-000-222-800	500	-	500	-	500
Total Undist. Expend. - Educational Media/School Library		100,888	(56,961)	43,927	14,307	29,620
Undist. Expend. - Instructional Staff Training Services:						
Other Purchased Services	11-000-223-500	3,500	(416)	3,084	2,977	107
Total Undist. Expend. - Instructional Staff Training Services		3,500	(416)	3,084	2,977	107
Undist. Expend. - Support Services - General Administration:						
Salaries	11-000-230-100	194,249	(5,278)	188,971	186,096	2,875
Legal Services	11-000-230-331	45,000	(1,475)	43,525	43,319	206
Audit Fees	11-000-230-332	19,100	-	19,100	19,100	-
Architectural/Engineering Services	11-000-230-334	4,500	6,127	10,627	6,825	3,802
Other Purchased Prof. Services	11-000-230-339	1,000	9,336	10,336	6,911	3,425
Purchased Technical Services	11-000-230-340	6,058	(3,613)	2,445	2,445	-
Communications/Telephone	11-000-230-530	18,000	179	18,179	12,273	5,906
BOE Other Purchased Services	11-000-230-585	2,301	(981)	1,320	1,320	-
Misc. Purchased Services (400-500) [Other than 530 & 585]	11-000-230-590	6,500	4,517	11,017	9,396	1,621
General Supplies	11-000-230-610	4,000	(835)	3,165	3,008	157
BOE In-House Training/Meeting Supplies	11-000-230-630	500	(46)	454	400	54
Miscellaneous Expenditures	11-000-230-890	2,600	4,107	6,707	6,707	-
BOE Membership Dues and Fees	11-000-230-895	6,370	(1,422)	4,948	4,868	80
Total Undist. Expend. - Support Services - General Admin.		310,178	10,616	320,794	302,668	18,126
Undist. Expend. - Support Services - School Admin.:						
Salaries of Principals/Assistant Principals	11-000-240-103	193,765	-	193,765	191,765	2,000
Salaries of Secretarial & Clerical Assistants	11-000-240-105	96,292	2,620	98,912	97,561	1,351
Other Purchases Services	11-000-240-500	5,200	(509)	4,691	1,849	2,842
Supplies and Materials	11-000-240-600	5,000	-	5,000	3,780	1,220
Other Objects	11-000-240-800	3,000	509	3,509	2,851	658
Total Undist. Expend. - Support Services - School Admin.		303,257	2,620	305,877	297,806	8,071
Undist. Expend. - Support Services - Central Services:						
Salaries	11-000-251-100	194,363	9,203	203,566	203,566	-
Purchased Professional Services	11-000-251-330	2,100	150	2,250	1,050	1,200
Miscellaneous Purchased Services	11-000-251-592	2,100	(534)	1,566	1,566	-
Supplies and Materials	11-000-251-600	2,750	617	3,367	3,367	-
Miscellaneous Expenditures	11-000-251-890	1,500	202	1,702	1,702	-
Total Undist. Expend. - Support Services - Central Services		202,813	9,638	212,451	211,251	1,200
Undist. Expend. - Admin Info Technology:						
Salaries	11-000-252-100	-	60,000	60,000	60,000	-
Purchased Technical Services	11-000-252-340	44,015	18,038	62,053	62,053	-
Supplies and Materials	11-000-252-600	13,500	(7,752)	5,748	5,748	-
Other Objects	11-000-252-800	1,000	(1,000)	-	-	-
Total Undist. Expend. - Admin Info Technology		58,515	69,286	127,801	127,801	-
Undist. Expend. - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	16,925	-	16,925	16,500	425
Cleaning, Repair & Maintenance Services	11-000-261-420	134,663	7,184	141,847	89,207	52,640
General Supplies	11-000-261-610	116,674	(400)	116,274	107,422	8,852
Other Objects	11-000-261-800	-	566	566	566	-
Total Undist. Expend. - Required Maintenance for School Facilities		268,262	7,350	275,612	213,695	61,917

MULLICA TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2015

		June 30, 2015				VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undist. Expend. - Custodial Services:						
Salaries	11-000-262-100	328,244	3,141	331,385	306,233	25,152
Salaries of Non-Instructional Aides	11-000-262-107	25,454	4,546	30,000	30,000	-
Purchased Professional and Technical Services	11-000-262-300	6,000	-	6,000	-	6,000
Cleaning, Repair, & Maintenance Services	11-000-262-420	37,710	-	37,710	33,097	4,613
Insurance	11-000-262-520	70,269	(2,800)	67,469	53,292	14,177
General Supplies	11-000-262-610	27,000	4,187	31,187	31,174	13
Energy (Natural Gas)	11-000-262-621	65,000	-	65,000	54,397	10,603
Energy (Electricity)	11-000-262-622	145,000	-	145,000	127,842	17,158
Energy (Oil)	11-000-262-624	4,000	-	4,000	-	4,000
Energy (Gasoline)	11-000-262-626	1,500	-	1,500	596	904
Total Undist. Expend. - Custodial Services		710,177	9,074	719,251	636,631	82,620
Undist. Expend. - Care & Upkeep of Grounds:						
Salaries	11-000-263-100	34,813	-	34,813	34,813	-
Cleaning, Repair, & Maintenance Services	11-000-263-420	4,500	-	4,500	750	3,750
General Supplies	11-000-263-610	7,500	-	7,500	1,830	5,670
Total Undist. Expend. - Care & Upkeep of Grounds		46,813	-	46,813	37,393	9,420
Undist. Expend. - Security:						
Cleaning, Repair & Maintenance Services	11-000-266-420	45,000	-	45,000	41,718	3,282
General Supplies	11-000-266-610	1,900	214	2,114	1,380	734
Total Undist. Expend. - Security		46,900	214	47,114	43,098	4,016
Total Undist. Expend. - Oper. & Maint. of Plant		1,072,152	16,638	1,088,790	930,817	157,973
Undist. Expend. - Student Transportation Services:						
Management Fee - ESC & CTSA Trans. Program	11-000-270-350	15,125	2,170	17,295	16,891	404
Other Purchased Prof. and Technical Services	11-000-270-390	4,000	-	4,000	3,800	200
Contracted Services (Bet. Home & School) - Vendors	11-000-270-511	8,840	2,652	11,492	11,492	-
Contracted Services (Bet. Home & School) - Joint Agreements	11-000-270-513	280,073	(13,916)	266,157	264,186	1,971
Contracted Services - (Spec. Ed. Students) - Vendors	11-000-270-514	139,325	11,499	150,824	133,400	17,424
Contracted Services - Aid in Lieu of Payments - NonPublic Sch	11-000-270-503	19,448	884	20,332	14,144	6,188
Total Undist. Expend. - Student Transportation Services		466,811	3,289	470,100	443,913	26,187
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	124,500	39,138	163,638	162,285	1,353
Other Retirement Contributions - PERS	11-000-291-241	139,368	(5,154)	134,214	118,424	15,790
Unemployment Compensation	11-000-291-250	20,175	15,868	36,043	19,058	16,985
Workmen's Compensation	11-000-291-260	130,136	-	130,136	97,055	33,081
Health Benefits	11-000-291-270	1,690,864	(36,889)	1,653,975	1,313,406	340,569
Tuition Reimbursement	11-000-291-280	19,000	-	19,000	14,850	4,150
Other Employee Benefits	11-000-291-290	48,900	14,300	63,200	51,941	11,259
Total Unallocated Benefits - Employee Benefits		2,172,943	27,263	2,200,206	1,777,019	423,187
On-Behalf Contributions:						
TPAF Pension Contributions (On-Behalf - Non-Budgeted)		-	-	-	268,705	(268,705)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	426,569	(426,569)
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	359,531	(359,531)
Total On-Behalf Contributions		-	-	-	1,054,805	(1,054,805)
Total Personal Services - Employee Benefits		2,172,943	27,263	2,200,206	2,831,824	(631,618)
Total Undistributed Expenditures		5,503,698	113,842	5,617,540	5,936,989	(319,449)
Total Expenditures - Current Expense		9,886,652	228,573	10,115,225	10,228,545	(113,320)
Capital Outlay						
Equipment:						
Instruction	12-000-100-730	24,000	(2,945)	21,055	20,953	102
Non-instructional Services	12-000-300-730	-	2,945	2,945	2,945	-
Total Equipment		24,000	-	24,000	23,898	102

MULLICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2015				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	53,078	5,306	58,384	53,078	5,306
12-000-400-896					
Total Facilities Acquisition and Construction Services	53,078	5,306	58,384	53,078	5,306
Total Capital Outlay	77,078	5,306	82,384	76,976	5,408
General Fund Grand Total	9,963,730	233,879	10,197,609	10,305,521	(107,912)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(683,779)	(233,879)	(917,658)	389,001	1,306,659
Other Financing Sources/(Uses):					
Operating Transfers In:					
Internal Service Fund	125,000	-	125,000	125,000	-
Latchkey Program	-	-	-	27,576	27,576
Operating Transfers Out:					
Local Contribution - Transfer to Special Revenue:					
Regular	(67,546)	-	(67,546)	(67,546)	-
Inclusion	(67,546)	-	(67,546)	(67,546)	-
Transfer to Food Service Fund	(17,000)	-	(17,000)	-	17,000
11-000-310-930					
Total Other Financing Sources/(Uses)	(27,092)	-	(27,092)	17,484	44,576
Excess/(Deficiency) of Revenues and Expenditures and Other Financing Sources/Uses	(710,871)	(233,879)	(944,750)	406,485	1,351,235
Fund Balances, July 1	2,637,339	-	2,637,339	2,637,339	-
Fund Balances, June 30	\$ 1,926,468	\$ (233,879)	\$ 1,692,589	\$ 3,043,824	\$ 1,351,235
Recapitulation of Budget Transfers:					
Prior Year Reserve for Encumbrances		\$ 233,879			
Total Budget Transfers		\$ 233,879			
Recapitulation:					
Restricted Fund Balance:					
Reserved Excess Surplus:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 550,000	
Reserve for Excess Surplus				1,036,517	
Capital Reserve				455,175	
Maintenance Reserve				352,483	
Emergency Reserve				250,000	
Assigned Fund Balance:					
ARRA - Special Education - Medicaid Initiative				7,264	
Year-End Encumbrances				79,451	
Designated for Subsequent Year's Expenditures				34,931	
Unassigned Fund Balance				278,003	
				3,043,824	
Reconciliation To Governmental Funds Statements (GAAP):					
Last Two State Aid Payments Not Recognized on GAAP Basis				(516,959)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,526,865	

**MULLICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2015				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 2,350	\$ 2,350	\$ 258	\$ (2,092)
State Sources	460,728	1,356	462,084	461,145	(939)
Federal Sources	259,783	765,535	1,025,318	836,187	(189,131)
Total Revenues	720,511	769,241	1,489,752	1,297,590	(192,162)
Expenditures:					
Instruction:					
Salaries	417,177	221,988	639,165	585,268	53,897
Other Salaries for Instruction	142,873	25,476	168,349	168,349	-
Purchased Professional and Technical Services	13,548	19,702	33,250	27,045	6,205
Other Purchased Services (400-500)	98,621	65,543	164,164	142,109	22,055
General Supplies	5,520	70,331	75,851	67,903	7,948
Other Objects	-	17,418	17,418	9,335	8,083
Total Instruction	677,739	420,458	1,098,197	1,000,009	98,188
Support Services:					
Salaries	-	142,439	142,439	125,505	16,934
Salaries of Program Directors	5,289	(289)	5,000	5,000	-
Salaries of Other Professional Staff	33,047	(342)	32,705	32,705	-
Other Salaries	26,378	(6,335)	20,043	20,043	-
Personal Services - Employee Benefits	41,523	95,048	136,571	109,523	27,048
Professional and Technical Services	15,200	23,610	38,810	31,858	6,952
Other Purchased Services	-	82,706	82,706	45,556	37,150
Contracted Services (Bet. Home & School)	52,177	-	52,177	52,177	-
Travel	-	2,018	2,018	2,018	-
Supplies and Materials	4,250	9,928	14,178	8,288	5,890
Total Support Services	177,864	348,783	526,647	432,673	93,974
Total Expenditures	855,603	769,241	1,624,844	1,432,682	192,162
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	135,092	-	135,092	135,092	-
Total Other Financing Sources/(Uses)	135,092	-	135,092	135,092	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**MULLICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION
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) "revenues" from the Budgetary Comparison Schedules	\$ 10,694,522	\$ 1,297,590
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: Current Year Encumbrances	-	(9,490)
Add: Prior Year Encumbrances	-	60,161
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	499,765	52,898
Less: Current year state aid payment not recognized for GAAP purposes until subsequent year	<u>(516,959)</u>	<u>(46,073)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 10,677,328</u>	<u>\$ 1,355,086</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 10,305,521	\$ 1,432,682
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: Current Year Encumbrances	-	(9,490)
Add: Prior Year Encumbrances	-	60,161
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 10,305,521</u>	<u>\$ 1,483,353</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.01437%	0.01473%
District's proportionate share of the net pension liability (asset)	\$ 2,689,544	\$ 2,815,918
District's covered-employee payroll	\$ 1,047,358	\$ 941,690
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	256.79%	299.03%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 124,151	\$ 118,424
Contributions in relation to the contractually required contribution	<u>124,151</u>	<u>118,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,047,358	\$ 941,690
Contributions as a percentage of covered- employee payroll	11.85%	12.58%

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

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05019%	0.04775%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 26,824,239	\$ 24,132,097
District's covered-employee payroll	\$ 4,669,874	\$ 4,790,449
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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MULLICA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Teachers Pension and Annuity Fund (TPAF)

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

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

Public Employees' Retirement System (PERS)

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

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MULLICA TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	PRESCHOOL EDUCATION AID	LOCAL PROJECTS	NO CHILD LEFT BEHIND			L.D.E.A. - PART B - COMBINED PRESCHOOL	21ST CENTURY GRANT	21st CENTURY SUPPLEMENTARY	TOTALS
			TITLE I	PART A	TITLE II				
Revenues									
Local Sources	\$ -	258	\$ -	\$ -	\$ -	\$ -	\$ -	258	
State Sources	461,145	-	-	-	-	-	-	461,145	
Federal Sources	-	-	204,914	48,230	149,227	2,282	389,715	836,187	
Total Revenues	461,145	258	204,914	48,230	149,227	2,282	389,715	1,297,590	
Expenditures									
Instruction:									
Salaries	283,015	-	147,007	26,140	-	-	121,448	585,268	
Other Salaries for Instruction	168,349	-	-	-	-	-	-	168,349	
Purchased Professional and Technical Services	-	-	-	19,999	-	6,796	250	27,045	
Other Purchased Services (400-500)	-	-	-	115,438	2,282	-	24,389	142,109	
General Supplies	1,782	258	18,862	4,720	-	39,674	2,607	67,903	
Other Objects	-	-	-	-	-	4,707	4,628	9,335	
Total Instruction	453,146	258	165,869	26,140	140,157	2,282	172,625	1,000,009	
Support Services:									
Salaries	-	-	6,090	360	-	-	119,055	125,505	
Salaries of Program Directors	5,000	-	-	-	-	-	-	5,000	
Salaries of Other Professional Staff	32,705	-	-	-	-	-	-	32,705	
Other Salaries	20,043	-	-	-	-	-	-	20,043	
Personal Services - Employee Benefits	33,166	-	32,955	5,543	-	37,785	74	109,523	
Professional and Technical Services	-	-	-	15,958	-	15,650	250	31,858	
Other Purchased Services	-	-	-	229	1,366	41,998	1,963	45,556	
Contracted Services (Bet. Home & School)	52,177	-	-	-	-	-	-	52,177	
Travel	-	-	-	-	-	2,018	-	2,018	
Supplies and Materials	-	-	-	7,704	-	584	-	8,288	
Total Support Services	143,091	-	39,045	22,090	9,070	217,090	2,287	432,673	
Total Expenditures	\$ 596,237	\$ 258	\$ 204,914	\$ 48,230	\$ 149,227	\$ 2,282	\$ 389,715	\$ 1,432,682	
Other Financing Sources/(Uses):									
Transfer from Operating Budget - PreK	135,092	-	-	-	-	-	-	135,092	
Total Other Financing Sources/(Uses)	135,092	-	-	-	-	-	-	135,092	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

MULLICA TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE TOTALS

	2015 BUDGETED	2015 ACTUAL	VARIANCE
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 283,015	\$ 283,015	\$ -
Other Salaries for Instruction	168,349	168,349	-
General Supplies	1,782	1,782	-
Total Instruction	<u>453,146</u>	<u>453,146</u>	-
Support Services:			
Salaries of Program Directors	5,000	5,000	-
Salaries of Other Professional Staff	32,705	32,705	-
Other Salaries	20,043	20,043	-
Personal Services - Employee Benefits	34,105	33,166	939
Contracted Trans. Serv. (Bet. Home & School)	52,177	52,177	-
Total Support Services	<u>144,030</u>	<u>143,091</u>	939
Total Expenditures	<u>\$ 597,176</u>	<u>\$ 596,237</u>	<u>\$ 939</u>

SUMMARY OF LOCATION TOTALS

Total 2014/15 Preschool Education Aid Allocation	\$ 460,728
Add: Actual ECPA/PEA Carryover (June 30, 2014)	1,356
Add: Budgeted Transfer from the General Fund 2014-15	<u>135,092</u>
Total Preschool Education Aid Funds Available for 2014/15 Budget	<u>597,176</u>
Less:	
2014/15 Budgeted Preschool Education Aid (Including prior-year budget carryover)	<u>(597,176)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2014	-
Add:	
June 30, 2015 Unexpended Preschool Education Aid	939
Cancellation of Prior Year Encumbrances	<u>14,325</u>
2014/15 Carryover - Preschool Education Aid Programs	<u>\$ 15,264</u>
2014/2015 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015/2016	<u>\$ 15,264</u>

F. Capital Projects Fund

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**MULLICA TOWNSHIP SCHOOL DISTRICT
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	
Various Capital Improvements:				
Transfer from Capital Reserve	\$ 68,357	\$ 7,795	\$ 57,782	\$ 2,780
State School Building Aid - (ROD) Grants	60,365	6,884	51,027	2,454
Total	\$ 128,722	\$ 14,679	\$ 108,809	\$ 5,234
Reconciliation - Unexpended Capital Project Balances to Fund Balance - June 30, 2015:				
Unexpended Project Balances June 30, 2015				\$ 5,234
Less:				
Unexpended State Aid - ROD Grants				(2,454)
Total Fund Balance (GAAP Basis) - June 30, 2015				\$ 2,780

**MULLICA TOWNSHIP SCHOOL DISTRICT
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:	
Transfer from Capital Reserve	\$ -
Rod Grants	-
	<hr/>
Total Revenues	-
	<hr/>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	4,008
Construction Services	104,801
	<hr/>
Total Expenditures	108,809
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(108,809)
Fund Balance - Beginning	114,043
	<hr/>
Fund Balance - Ending	<u>\$ 5,234</u>

**MULLICA TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
FIRE ALARM SYSTEM REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 60,365	\$ -	\$ 60,365	\$ 60,365
Transfer from Capital Reserve	68,357	-	68,357	68,357
Total Reserve	128,722	-	128,722	128,722
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	14,679	4,008	18,687	23,921
Construction Services	-	104,801	104,801	104,801
Total Expenditures & Other Financing Uses	14,679	108,809	123,488	128,722
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 114,043	\$ (108,809)	\$ 5,234	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	3480-020-14-1001
Grant Date	2013-2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 128,722
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 128,722
Percentage Increase Over Original Authorized Cost	
Percentage Completion	96%
Original Target Completion Date	2014-2015
Revised Target Completion Date	N/A

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G. Proprietary Funds

(See Exhibits B-4, B-5 & B-6)

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Enterprise Funds

(See Exhibits B-4, B-5 & B-6)

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H. Fiduciary Fund

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MULLICA TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	UNEMPLOYMENT COMPENSATION TRUST	AGENCY FUND	TOTALS
<u>Assets</u>			
Cash and Cash Equivalents	\$ 209,604	\$ 72,438	\$ 282,042
Total Assets	<u>209,604</u>	<u>72,438</u>	<u>282,042</u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Due To Student Groups	-	61,133	61,133
Due to State	-	48	48
Accounts Payable	-	2,609	2,609
Payroll Deductions and Withholdings	-	5,724	5,724
Payroll Reserve	-	2,924	2,924
Total Liabilities	<u>-</u>	<u>72,438</u>	<u>72,438</u>
Net Position:			
Held in Trust for Unemployment Claims and Other Purposes	<u>209,604</u>	-	<u>209,604</u>
Total Net Position	<u>209,604</u>	-	<u>209,604</u>
Total Liabilities and Net Position	<u>\$ 209,604</u>	<u>\$ 72,438</u>	<u>\$ 282,042</u>

**MULLICA TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	UNEMPLOYMENT COMPENSATION TRUST	TOTALS
Additions:		
Contributions:		
Plan Members	\$ 11,847	\$ 11,847
	<hr/>	<hr/>
Total Additions	11,847	11,847
	<hr/>	<hr/>
Change in Net Position	11,847	11,847
Net Position - Beginning of Year	197,757	197,757
	<hr/>	<hr/>
Net Position - End of Year	\$ 209,604	\$ 209,604
	<hr/> <hr/>	<hr/> <hr/>

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	BALANCE JULY 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2015
ASSETS				
Cash & Cash Equivalents	\$ 73,195	\$ 30,691	\$ 40,144	\$ 63,742
Total Assets	<u>73,195</u>	<u>30,691</u>	<u>40,144</u>	<u>63,742</u>
LIABILITIES				
Due To Student Groups	73,195	30,691	42,753	61,133
Accounts Payable	-	2,609	-	2,609
Total Liabilities	<u>\$ 73,195</u>	<u>\$ 33,300</u>	<u>\$ 42,753</u>	<u>\$ 63,742</u>

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

	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
ASSETS				
Cash and Cash Equivalents	\$ 64,063	\$ 7,534,918	\$ 7,590,285	\$ 8,696
Total Assets	<u>64,063</u>	<u>7,534,918</u>	<u>7,590,285</u>	<u>8,696</u>
LIABILITIES				
Due to State	8,068	48	8,068	48
Interfund Payable	3,707	-	3,707	-
Payroll Deductions and Withholdings	49,364	3,169,646	3,213,286	5,724
Payroll Reserve	2,924	4,365,224	4,365,224	2,924
Total Liabilities	<u>\$ 64,063</u>	<u>\$ 7,534,918</u>	<u>\$ 7,590,285</u>	<u>\$ 8,696</u>

I. Long-Term Debt

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**MULLICA TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
JUNE 30, 2015**

<u>ISSUE</u>	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	AMOUNT	INTEREST RATE	BALANCE JULY 1, 2014	RETIRE CURRENT YEAR	BALANCE JUNE 30, 2015
Refunding Bonds 2011	06/09/11	2,860,000	07/15/15	230,000	3.000%	\$ 2,385,000	\$ 215,000	\$ 2,170,000
			07/15/16	240,000	2.000%			
			07/15/17	245,000	2.250%			
			07/15/18	250,000	3.000%			
			07/15/19	120,000	3.000%			
			07/15/19	125,000	5.000%			
			07/15/20	245,000	3.200%			
			07/15/21	240,000	3.400%			
			07/15/22	240,000	3.625%			
			07/15/23	235,000	3.800%			
						\$ 2,385,000	\$ 215,000	\$ 2,170,000

MULLICA TOWNSHIP SCHOOL DISTRICT
 GENERAL LONG-TERM DEBT ACCOUNT GROUP
 STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
 JUNE 30, 2015

DESCRIPTION	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2014	RETIRED CURRENT YEAR	BALANCE JUNE 30, 2015
				YEAR	PRINCIPAL				
Lease Purchase of Retrofit Lighting & HVAC Conversion	07/01/2000	15 Years	\$ 554,667.00	2015/16	\$ 4,715	24.00	\$ 59,440	\$ 54,725	\$ 4,715
							\$ 59,440	\$ 54,725	\$ 4,715

**MULLICA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	June 30, 2015			VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	POSITIVE/(NEGATIVE) FINAL TO ACTUAL
	ACTUAL			
REVENUES				
Local Sources:				
Local Tax Levy	\$ 313,776	-	\$ 313,776	\$ 313,777 1
State Sources:				
Debt Service Aid Type II	28,437	-	28,437	-
Total Revenues	342,213	-	342,213	342,214 1
EXPENDITURES				
Regular Debt Service:				
Principal Payments-Comm. Approved				
Lease Purchase Agreements	54,725	-	54,725	54,725 -
Interest-Commissioner Approved	2,146	-	2,146	2,146 -
Lease Purchase Agreements	70,342	-	70,342	70,342 -
Interest on Bonds	215,000	-	215,000	215,000 -
Redemption of Principal				
Total Regular Debt Service	342,213	-	342,213	342,213 -
Total Expenditures	342,213	-	342,213	342,213 -
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	-	-	-	1 1
Net Change in Fund Balances	-	-	-	1 1
Fund Balance, July 1	-	-	-	- -
Fund Balance, June 30	-	-	-	1 1

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STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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MULLICA TOWNSHIP SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Government Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 3,626,820	\$ 3,238,820	\$ 2,956,725	\$ 11,911,822	\$ 11,884,322	\$ 11,955,887	\$ 11,540,594	\$ 11,668,616	\$ 12,093,658
Restricted	258,587	401,472	504,681	946,549	1,287,225	1,913,383	2,111,168	2,145,865	2,615,701
Unrestricted	(313,248)	(109,547)	(274,955)	(353,343)	(97,456)	(22,783)	598,713	598,692	(2,859,632)
Total Government Activities Net Position	3,572,159	3,530,745	3,186,451	12,505,028	13,074,091	13,846,486	14,250,475	14,413,173	11,849,727
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt	9,513	7,343	5,173	20,517	18,430	16,490	14,550	12,610	20,836
Unrestricted	14,819	21,234	13,314	32,871	21,615	65,689	103,791	134,817	113,182
Total Business-Type Activities Net Position	24,332	28,577	18,487	53,387	40,045	82,179	118,341	147,427	134,018
Government-wide:									
Invested in Capital Assets, Net of Related Debt	3,636,333	3,246,163	2,961,898	11,932,338	11,902,752	11,972,377	11,555,144	11,681,226	12,114,494
Restricted	258,587	401,472	504,681	946,549	1,287,225	1,913,383	2,111,168	2,145,865	2,615,701
Unrestricted	(298,429)	(88,313)	(261,641)	(320,472)	(75,841)	42,906	702,504	733,509	(2,746,450)
Total District Net Position	\$ 3,596,491	\$ 3,559,322	\$ 3,204,938	\$ 12,558,416	\$ 13,114,136	\$ 13,928,665	\$ 14,368,816	\$ 14,560,600	\$ 11,983,745

MULLICA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET POSITION
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:									
Governmental Activities:									
Instruction:									
Regular	\$ 3,696,474	\$ 2,868,430	\$ 5,423,202	\$ 5,539,180	\$ 5,245,520	\$ 5,493,451	\$ 4,105,938	\$ 4,215,376	\$ (4,365,763)
Special Education	685,727	1,502,560	(926,657)	(848,172)	(872,379)	(862,677)	(782,283)	(782,732)	(864,139)
Other Special Education	186,142	185,848	(234,991)	(122,791)	(159,170)	(183,845)	(200,485)	(156,955)	(97,804)
Other Instruction	50,067	36,349	(71,352)	(37,949)	(79,853)	(100,378)	(25,094)	(31,255)	(49,476)
Support Services:									
Tuition	205,148	177,303	(278,449)	(225,165)	(182,775)	(262,944)	(270,341)	(211,095)	(140,711)
Student and Instruction Related Services	908,876	999,411	(1,188,153)	(1,172,848)	(1,200,370)	(1,282,617)	937,634	(1,134,391)	(1,111,011)
General Administration	443,649	484,510	(311,225)	(315,632)	(465,652)	(405,195)	(290,151)	(312,559)	(502,668)
School Administrative Services	289,377	295,266	(463,114)	(394,542)	(430,244)	(376,934)	(337,007)	(341,481)	(297,806)
Central Services	-	-	-	-	-	-	(144,438)	(174,820)	(211,251)
Administrative Information Technology	-	-	-	-	-	-	(57,928)	(69,406)	(127,801)
Business Administrative and	-	-	-	-	-	-	-	-	-
Technical Services	2,430,571	2,392,056	(165,760)	(283,617)	(207,796)	(285,185)	-	-	-
Plant Operations and Maintenance	771,543	763,467	(1,064,306)	(1,042,821)	(1,162,203)	(1,018,685)	(779,375)	(906,931)	(1,007,793)
Pupil Transportation	437,926	433,328	(433,362)	(456,681)	(393,999)	(424,251)	(376,913)	(485,509)	(443,913)
Employee Benefits	-	-	-	-	-	-	(2,720,297)	(2,645,389)	(4,008,464)
Interest on Long-Term Debt	237,978	223,586	(205,768)	(189,773)	(136,784)	(172,415)	(97,133)	(78,565)	(703,517)
Unallocated Depreciation and Amortization	544,639	772,293	(772,293)	(430,830)	(389,282)	(512,197)	(437,136)	(434,243)	(459,556)
Total Governmental Activities Expenses	10,888,117	11,134,407	(11,528,631)	(11,060,002)	(10,926,028)	(11,380,775)	(11,568,753)	(11,980,707)	(13,528,073)
Business-Type Activities:									
Food Service	297,918	295,779	(368,069)	(315,869)	(302,060)	(265,986)	234,904	(255,941)	(271,866)
Child Care	74,247	71,434	-	-	-	(32,642)	1,871	-	-
Total Business-Type Activities Expenses	372,165	367,213	(368,069)	(315,869)	(302,060)	(298,628)	236,774	(255,941)	(271,866)
Total District Expenses	\$ 11,260,282	\$ 11,501,620	\$ (11,896,700)	\$ (11,375,871)	\$ (11,228,088)	\$ (11,679,403)	\$ (11,331,978)	\$ (12,236,648)	\$ (13,800,539)
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Instruction (Tuition)	1,861	24,556	12,987	12,371	28,598	280,795	310,304	402,141	607,305
Business and Other Support Services	-	128,998	-	-	-	-	-	-	-
Operating Grants and Contributions	1,242,555	1,458,679	191,589	234,064	234,264	235,482	2,416,593	2,457,567	3,972,553
Special Item Refinance of Debt Savings	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	1,244,416	1,612,233	204,575	246,435	262,862	516,277	2,726,896	2,859,708	4,579,858
Business-Type Activities:									
Charges for Services:									
Food Service	117,844	114,601	142,814	162,251	135,965	132,526	91,886	81,081	86,739
Child Care	35,322	33,464	-	-	-	38,657	-	-	-
Operating Grants and Contributions	165,227	172,706	182,630	170,941	151,184	169,579	181,050	203,946	199,294
Total Business-Type Activities Program Revenues	318,393	320,771	325,444	333,193	287,149	340,762	272,936	285,027	286,033
Total District Program Revenues	1,562,809	1,933,004	530,019	579,627	550,011	857,039	2,999,832	3,144,735	4,865,891

MULLICA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET POSITION
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:									
Governmental Activities	(9,643,701)	(9,522,174)	(11,324,056)	(10,813,567)	(10,663,165)	(10,864,498)	(8,841,856)	(9,120,999)	(8,948,815)
Business-Type Activities	(53,772)	(46,442)	(42,625)	17,324	(14,912)	42,134	36,162	29,086	14,167
\$	<u>(9,697,473)</u>	<u>(9,568,616)</u>	<u>(11,366,681)</u>	<u>(10,796,243)</u>	<u>(10,678,077)</u>	<u>(10,822,364)</u>	<u>(8,805,695)</u>	<u>(9,091,913)</u>	<u>(8,934,648)</u>
Total Government-wide Net (Expense)/Revenue									
General Revenues and									
Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for									
General Purposes, Net	3,085,814	3,067,218	3,189,907	3,317,503	3,358,991	3,358,991	3,358,991	3,358,991	3,505,220
Taxes Levied for Debt Service	428,248	446,844	439,978	432,840	470,335	471,839	387,176	460,006	313,777
Unrestricted Grants and Contributions	5,703,287	5,984,496	7,199,420	7,389,765	7,154,401	7,554,341	5,248,584	5,246,888	5,113,967
Tuition Received	-	16,840	-	-	-	-	-	-	-
Investment Earnings	25,978	13,031	4,999	5,036	11,692	-	-	-	-
Special Item Refinance of Debt Savings	-	2,388	-	-	-	-	-	-	-
Miscellaneous Income	8,913	2,388	235,327	224,577	149,737	251,723	284,707	257,920	240,447
Transfers	(52,269)	(50,057)	(32,397)	-	153,430	-	-	-	27,576
Total Governmental Activities	9,199,971	9,480,760	11,037,234	11,369,720	11,298,586	11,636,893	9,279,458	9,323,805	9,201,287
Business-Type Activities:									
Investment Earnings	1,151	600	138	-	-	-	-	-	-
Transfers	52,269	50,057	32,397	-	1,570	-	-	-	(27,576)
Total Business-Type Activities	53,420	50,687	32,535	-	1,570	-	-	-	(27,576)
Total Government-wide	<u>9,253,391</u>	<u>9,531,447</u>	<u>11,069,769</u>	<u>11,369,720</u>	<u>11,300,155</u>	<u>11,636,893</u>	<u>9,279,458</u>	<u>9,323,805</u>	<u>9,173,711</u>
Changes in Net Position:									
Governmental Activities	(443,730)	(41,414)	(286,822)	556,153	635,420	772,395	437,602	202,806	252,472
Business-Type Activities	(352)	4,245	(10,690)	17,324	(13,342)	42,134	36,162	29,086	(13,409)
Total District	<u>(444,082)</u>	<u>(37,169)</u>	<u>(296,912)</u>	<u>573,477</u>	<u>622,078</u>	<u>814,529</u>	<u>473,764</u>	<u>231,892</u>	<u>239,063</u>

MULLICA TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST NINE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:									
Reserved	\$ 247,695	\$ 390,579	\$ 542,213	\$ 910,323	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	(129,363)	59,666	(120,266)	(243,189)	-	-	-	19,045	(159,505)
Restricted	-	-	-	-	1,017,845	1,774,267	2,076,393	2,046,709	2,644,175
Assigned	-	-	-	-	208,805	78,541	34,775	71,820	42,195
Total General Fund	\$ 118,332	\$ 450,245	\$ 421,947	\$ 667,134	\$ 1,226,650	\$ 1,852,808	\$ 2,111,167	\$ 2,137,574	\$ 2,526,865
All Other Governmental Funds:									
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:									
Special Revenue Fund	(34,430)	(40,605)	(17,613)	(7,207)	-	(47,324)	(41,565)	(52,898)	(46,073)
Capital Projects Fund	10,892	10,892	(19,920)	43,433	-	-	-	60,562	2,780
Debt Service Fund	-	1	1	-	-	-	1	-	1
Restricted:									
Debt Service Fund	-	-	-	-	60,575	60,575	-	-	-
Unassigned:									
Special Revenue Fund	-	-	-	-	(40,795)	-	-	-	-
Total All Other Governmental Funds	\$ (23,538)	\$ (29,712)	\$ (37,532)	\$ 36,226	\$ 19,780	\$ 13,251	\$ (41,564)	\$ 7,664	\$ (43,292)

MULLICA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 3,128,097	\$ 3,514,062	\$ 3,514,062	\$ 3,629,885	\$ 3,750,343	\$ 3,829,326	\$ 3,830,830	\$ 3,746,167	\$ 3,818,997	\$ 3,818,997
Tuition Charges	14,410	1,861	16,840	12,987	12,371	28,598	280,795	310,304	402,141	607,305
Interest Earnings	-	-	-	3,999	5,036	11,692	142	-	-	-
Miscellaneous	38,422	35,915	15,419	37,880	21,548	38,818	26,972	92,373	103,174	87,524
State Sources	6,037,784	6,416,486	6,715,770	6,409,357	5,846,718	6,408,306	6,717,326	6,995,778	6,955,852	6,977,462
Federal Sources	518,018	535,624	760,675	981,652	1,777,111	980,359	1,072,497	669,398	748,603	934,367
Total Revenues	9,736,731	10,503,948	11,022,766	11,075,759	11,413,126	11,297,099	11,928,561	11,814,020	12,028,767	12,425,655
Expenditures:										
Instruction:										
Regular Instruction	3,380,059	3,696,474	2,868,430	4,010,116	4,003,194	3,886,047	3,956,028	4,034,854	4,139,893	4,302,677
Special Education Instruction	615,568	685,727	1,498,353	679,440	577,631	644,858	613,189	788,283	782,732	864,139
Other Special Instruction	125,262	185,142	185,848	138,956	122,791	159,170	183,845	200,485	156,955	97,804
Other Instruction	52,451	50,067	36,349	40,172	34,504	22,595	22,105	25,094	31,255	49,476
Support Services:										
Tuition	276,316	205,148	177,303	278,449	225,165	182,775	262,944	270,341	211,095	140,711
Student & Inst. Related Services	834,116	908,876	999,411	1,228,334	1,115,402	1,153,970	1,141,921	937,634	1,134,391	1,111,011
General Administration	483,095	443,649	429,963	288,777	273,786	277,697	281,055	290,751	312,559	302,668
School Administrative Services	291,047	289,377	295,266	309,863	312,529	325,541	327,092	337,007	341,481	297,806
Central Services	-	-	-	137,956	134,293	144,345	147,019	144,438	174,820	211,251
Administrative Information Technology	-	-	-	27,804	43,398	63,450	86,974	57,928	69,406	127,801
Plant Operations and Maintenance	749,250	771,343	763,467	781,574	797,476	827,257	759,660	737,843	775,610	930,817
Pupil Transportation	444,342	437,926	433,328	433,362	456,681	393,999	424,251	376,913	485,509	443,913
Unallocated Employee Benefits	1,802,198	2,430,571	2,392,056	2,113,792	2,181,305	2,183,653	2,344,057	2,731,217	2,647,617	2,831,824
Capital Outlay	30,340	264,642	33,270	87,871	213,972	89,722	99,963	89,703	175,746	185,785
Debt Service:										
Principal	357,460	363,752	395,339	402,326	409,531	437,257	510,414	484,160	513,383	269,725
Interest and Other Charges	251,543	237,978	223,586	208,346	192,523	175,695	87,840	103,824	85,680	72,488
Total Expenditures	9,695,047	10,971,672	10,731,969	11,167,138	11,094,181	10,968,035	11,248,357	11,610,476	12,038,132	12,239,896
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	43,684	(467,724)	290,797	(91,379)	318,945	329,064	680,204	203,544	(9,365)	185,759
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Accrued Interest	558	1,024	85,000	98,550	146,900	198,433	41,566	-	85,000	152,576
Transfers In	(61,294)	(53,923)	(50,057)	(43,289)	(146,900)	(45,002)	(102,141)	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	(60,736)	(52,899)	34,943	55,261	-	153,430	(60,575)	-	85,000	152,576
Net Change in Fund Balances	\$(17,052)	\$(520,623)	\$ 325,740	\$(36,118)	\$ 318,945	\$ 482,494	\$ 619,629	\$ 203,544	\$ 75,635	\$ 338,335
Debt Service as a Percentage of Noncapital Expenditures	6.30%	5.62%	5.79%	5.51%	5.53%	5.63%	5.37%	5.10%	5.05%	2.84%

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay.
 Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.
 Prior to June 30, 2009, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**MULLICA TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TUIITION REVENUE	BUILDING USE AND RENTALS	ANNUAL TOTALS
2006	\$ 16,423	\$ 4,941	\$ -	\$ 16,500	\$ 37,864
2007	25,978	113	-	8,800	34,891
2008	13,031	2,388	-	-	15,419
2009	3,999	17,880	12,987	5,000	39,866
2010	5,036	11,816	12,371	5,000	34,222
2011	11,692	33,549	28,598	-	73,840
2012	142	8,264	280,795	5,500	294,701
2013	-	91,504	310,304	-	401,807
2014	-	102,321	402,141	-	504,462
2015	-	15,521	607,305	71,745	694,571

Source: District records

REVENUE CAPACITY INFORMATION

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**MULLICA TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(UNAUDITED)**

Fiscal Year Ending June 30,	Mullica School District Direct Rate				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	(From J-6) Greater Egg Harbor Regional High School District	Township of Mullica	Library/Other	Atlantic County		
2006	1.100	0.153	1.253	0.744	0.961	0.114	0.483	3.555	
2007	1.080	0.157	1.237	0.793	1.037	0.129	0.478	3.674	
2008	1.104	0.152	1.256	0.793	1.037	0.129	0.478	3.693	
2009	1.139	0.148	1.287	0.812	1.057	0.115	0.566	3.837	
2010	1.147	0.160	1.308	0.864	1.075	0.112	0.588	3.947	
2011	1.151	0.161	1.310	0.833	1.094	0.062	0.621	3.920	
2012	1.148	0.132	1.280	0.804	1.103	0.063	0.622	3.872	
2013	1.145	0.157	1.302	0.800	1.134	0.062	0.791	4.089	
2014	1.167	0.137	1.304	0.878	1.169	0.066	0.732	4.149	
2015	1.217	0.110	1.327	0.866	1.193	0.070	0.741	4.197	

Source: Municipal Tax Assessor

* Revaluation effective 2006

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable. Page F46 Est. Tax Rate Info Dist.

a Approved Budget

b Rates for debt service are based on each year's requirements.

MULLICA TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO
 (UNAUDITED)

	2015			2006		
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	% OF TOTAL DISTRICT NET ASSESSED VALUE
NJ Carpenters APP TR & ED Fund	\$ 1,391,500	1		\$	1	
609 Darmstadt, LLC	1,143,600	2			2	
Ocean Yachts, Inc.	1,000,000	3			3	
Taxpayer #1	801,700	4	Data		4	Data
Taxpayer #2	705,200	5	Not Available		5	Not Available
Taxpayer #3	638,200	6			6	
Taxpayer #4	620,200	7			7	
Taxpayer #5	604,500	8			8	
Taxpayer #6	592,900	9			9	
Taxpayer #7	589,900	10			10	
Total	\$ 8,087,700			\$		

Ocean Yachts, Inc
 NJ Carp. APP TR
 SW Café, LLC
 Taxpayer #1
 Taxpayer #2
 Forks Landing
 AIOP Mullica LLC
 Taxpayer #3
 Blue Leopard Corp
 B-Q Partnership

Source: Municipal Tax Assessor

**MULLICA TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ^a		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2006	\$ 3,128,097	3,128,097	100.00%	-
2007	3,514,062	3,514,062	100.00%	-
2008	3,514,062	3,514,062	100.00%	-
2009	3,629,885	3,629,885	100.00%	-
2010	3,750,343	3,750,343	100.00%	-
2011	3,829,326	3,829,326	100.00%	-
2012	3,830,830	3,830,830	100.00%	-
2013	3,746,167	3,746,167	100.00%	-
2014	3,818,997	3,818,997	100.00%	-
2015	3,818,997	3,818,997	100.00%	-

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

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

DEBT CAPACITY INFORMATION

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**MULLICA TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDING JUNE 30,	GOVERNMENTAL ACTIVITIES				BOND		BUSINESS-TYPE ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BOND	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	ANTICIPATION NOTES (BANS)	CAPITAL LEASES	TOTAL DISTRICT	PERSONAL INCOME				
2006	\$ 5,475,307	-	396,065	-	-	5,871,372	2.57%	972.24			
2007	5,144,936	-	362,684	-	-	5,507,620	2.35%	913.67			
2008	4,785,106	-	327,175	-	-	5,112,281	2.13%	848.09			
2009	4,420,551	-	289,403	-	-	4,709,954	1.97%	778.25			
2010	4,051,201	-	249,223	-	-	4,300,423	1.76%	699.37			
2011	3,495,116	-	204,714	-	-	3,699,830	1.45%	601.21			
2012	3,243,498	-	159,249	-	-	3,402,747	1.30%	550.87			
2013	2,846,938	-	112,653	-	-	2,959,591	1.13%	478.82			
2014	2,385,000	-	59,440	-	-	2,444,440	0.94%	397.15			
2015	2,170,000	-	4,715	-	-	2,174,715	0.81%	352.12			

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

N/A At the time of CAFR completion, the data was not yet available.

**MULLICA TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR ENDING JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY ^a	PER CAPITA ^b
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2005	\$ 5,475,307	-	5,475,307	1.99%	906.66
2006	5,144,936	-	5,144,936	0.91%	853.51
2007	4,785,106	-	4,785,106	0.81%	793.81
2008	4,420,551	-	4,420,551	0.77%	730.43
2009	4,051,201	-	4,051,201	0.83%	658.84
2010	3,495,116	-	3,495,116	0.59%	567.94
2011	3,282,735	-	3,282,735	0.57%	531.44
2012	2,846,938	-	2,846,938	0.58%	460.60
2013	2,385,000	-	2,385,000	0.49%	387.49
2014	2,170,000	-	2,170,000	0.45%	351.36

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

**MULLICA TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2015
 (UNAUDITED)**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE ^a	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid with Property Taxes:			
Township of Mullica	\$ 1,554,000	100.00%	\$ 1,554,000
Other Debt			
Regional High School District	37,285,000	8.48%	3,161,768
County of Atlantic (Mullica Township's Share)	146,874,191	1.30%	<u>1,910,376</u>
			6,626,144
Mullica Township School District Direct Debt			<u>2,170,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 8,796,144</u></u>

Sources: Mullica Township Finance Officer, Atlantic County Finance Officer; GEHRS Budget presentation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mullilca. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

MULLICA TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Equalized Valuation Basis:										
	2015	\$	476,972,289							
	2014		490,315,785							
	2013		<u>531,344,652</u>							
	(A)	\$	<u>1,498,632,726</u>							
Average Equalized Valuation of Taxable Property	(A/3)	\$	374,658,182							
Debt Limit (3% of Average Equalization Value)	(B)		44,958,982 a							
Total Net Debt Applicable To Limit	(C)		<u>2,170,000</u>							
Legal Debt Margin	(B-C)	\$	<u>42,788,982</u>							
<hr/>										
	2006		2007		2008		2009		2010	
Debt Limit	\$	11,593,734	\$	13,795,199	\$	15,724,443	N/A	\$	52,718,314	
Total Net Debt Applicable To Limit		<u>5,475,306</u>		<u>5,144,936</u>		<u>4,785,106</u>		<u>4,708,187</u>	<u>4,051,201</u>	
Legal Debt Margin	\$	<u>6,118,428</u>	\$	<u>8,650,263</u>	\$	<u>10,939,337</u>	\$	<u>-</u>	\$	<u>48,667,113</u>
<hr/>										
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		47.23%		37.30%		30.43%		N/A		7.68%
<hr/>										
	<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>	
Debt Limit	\$	52,903,106	\$	34,834,736	\$	47,687,636	\$	47,795,468	\$	44,958,982
Total Net Debt Applicable To Limit		<u>3,495,116</u>		<u>3,282,735</u>		<u>3,282,735</u>		<u>2,385,000</u>		<u>2,170,000</u>
Legal Debt Margin	\$	<u>49,407,990</u>	\$	<u>31,552,001</u>	\$	<u>44,404,901</u>	\$	<u>45,410,468</u>	\$	<u>42,788,982</u>
<hr/>										
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		6.61%		9.42%		6.88%		4.99%		4.83%

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

DEMOGRAPHIC AND ECONOMIC STATISTICS

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**MULLICA TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>YEAR</u>	<u>POPULATION</u> ^a	<u>PERSONAL INCOME</u> ^b	<u>PER CAPITA PERSONAL INCOME</u> ^c	<u>UNEMPLOYMENT RATE</u> ^d
2006	6,039	228,757,320	37,880	5.7%
2007	6,028	234,537,424	38,908	5.7%
2008	6,028	240,089,212	39,829	5.7%
2009	6,052	238,636,412	39,431	11.0%
2010	6,149	244,945,415	39,835	12.7%
2011	6,154	254,757,138	41,397	9.33%
2012	6,177	261,212,976	42,288	13.00%
2013	6,181	262,228,925	42,425	13.00%
2014	6,155	259,119,345	42,099	11.30%
2015	6,176	267,643,136	43,336	8.80%

Source:

^a Population information provided by the NJ Department of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

**MULLICA TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2015			2006		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT ^a	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT ^a
Mullica Township Schools	128	1	73.99%	140	1	76.50%
Township of Mullica	45	2	26.01%	43	2	23.50%
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total	173		100.00%	183		100.00%

Source: Office of the Business Administrator of the Township of Mullica

Note a: Total Employment Not Available since No Authoritative Source is Known

OPERATING INFORMATION

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**MULLICA TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	51	54	51	57	56	49	47	50	49	49
Special Education	12	10	9	13	13	11	14	12	12	13
Other Special Education	10	8	9	8	7	8	7	7	13	13
Other Instruction	9	9	9	9	7	2	2	2	2	2
Support Services:										
Student and Instruction Related Services	13	14	15	13	13	13	15	17	17	17
General Administrative Services	3	3	6	3	3	3	6	5	4	4
School Administrative Services	4	5	7	5	5	4	4	5	4	4
Business Administrative & Technology services	2	2	0	2	2	2	2	2	2	2
Plant Operations and Maintenance	10	9	9	9	9	8	8	9	9	9
Food Service	6	6	6	6	5	5	1	1	1	1
Total	118	119	119	123	119	104	105	110	113	114

Source: District Personnel Records
Report of Certificated Staff Status

**MULLICA TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	ENROLLMENT TOTAL	OPERATING EXPENDITURES ^a	COST PER PUPIL ^d	PERCENTAGE CHANGE	TEACHING STAFF ^b	Pupil/Teacher Ratio		AVERAGE DAILY ENROLLMENT (ADE) ^c	AVERAGE DAILY ATTENDANCE (ADA) ^d	PERCENTAGE CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2006	745	7,684,422	10,315	9.10%	66.0	1:12	1:12	789.00	748.50	-2.07%	94.87%
2007	725	8,084,315	11,151	8.11%	62.0	1:11	1:11	738.00	700.60	-6.46%	94.93%
2008	723	7,868,101	10,883	-2.41%	76.5	1:11	1:11	718.00	681.80	-2.71%	94.96%
2009	715	8,651,803	12,100	11.19%	71.5	1:11	1:11	712.30	675.40	-0.79%	94.82%
2010	705	8,071,663	11,449	-5.38%	66.0	1:11	1:11	712.00	672.00	-0.04%	94.38%
2011	724	8,346,460	11,528	0.69%	62.0	1:12	1:12	712.00	680.10	No change	95.52%
2012	721	8,433,753	11,697	1.47%	64.6	1:12	1:12	710.00	675.50	-0.28%	95.14%
2013	775	11,022,492	14,223	21.59%	62.0	1:13	1:13	748.56	706.90	5.49%	94.39%
2014	783	11,424,390	14,591	2.59%	64.0	1:13	1:13	694.58	662.18	-7.21%	95.25%
2015	770	11,788,874	15,310	4.93%	57.0	1:16	1:16	764.23	726.07	10.03%	95.01%

Source: 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).

d Cost per Pupil calculated by dividing Operating Expenditures by Total Enrollment. This is not intended to represent the statutory calculation per pupil.

MULLICA TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Early Learning Center</u>										
Hilda Frame School (1900)										
Square Feet	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328	5,328
Capacity (students)	60	60	60	60	60	60	60	60	60	60
Enrollment PK	54	56	57	53	52	0	0	0	0	0
<u>Elementary (1955, 1981, 1995, 2003)</u>										
Mullica Township Elementary School										
Square Feet	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776	68,776
Capacity (students)	562	562	562	562	562	562	562	562	562	562
Enrollment K-4	352	371	348	364	363	415	415	436	442	442
<u>Middle School (1965, 1972, 1981, 2003)</u>										
Mullica Township Middle School										
Square Feet	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500	50,500
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment 5-8	339	296	305	293	290	285	306	339	341	328
<u>Other</u>										
Gertrude Lauer School (1910)										
Square Feet	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410
Capacity (students)	0	0	0	0	0	0	0	0	0	0
Enrollment	0	0	0	0	0	0	0	0	0	0
Number of Schools at June 30, 2012										
Early Learning Center = 1										
Elementary = 1										
Middle School = 1										
Other = 1										

Source: District records, ASSA
 Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.
 Enrollment is based on the annual October district count.

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

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

	SCHOOL FACILITIES PROJECT # (s)	ELEMENTARY SCHOOL	HILDA FRAME SCHOOL	MIDDLE SCHOOL	GERTRUDE LAUER SCHOOL	TOTAL
2006	N/A	\$ 6,663	\$ 7,940	\$ 44,810	\$ 3,485	\$ 62,898
2007	N/A	23,829	4,618	23,936	4,591	56,974
2008	N/A	17,020	2,974	36,167	500	56,661
2009	N/A	23,942	3,234	56,119	500	83,795
2010	3480-020-09-1001	35,755	3,925	59,841	500	100,021
2011	N/A	47,596	1,200	55,876	500	105,172
2012	N/A	50,456	1,309	72,155	288	124,208
2013	N/A	130,398	3,458	21,956	288	156,100
2014	3480-020-14-1001-G04	74,766	7,693	6,793	288	89,540
2015	3480-020-14-1001-G04	200,500	788	12,119	288	213,695
Total School Facilities		\$ 610,925	\$ 37,139	\$ 389,772	\$ 11,228	\$ 1,049,064

* as defined under EFCFA,
i-1.2 and N.J.A.C. 6A:26-1.3)

cc: District records

**MULLICA TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)**

I. Property, Inland Marine and Automobile Physical Damages			
A. Limit of Liability	\$	150,000,000	per occurrence
1. ACCASBOJIF Self Insured Retention		200,000	per occurrence
2. Member District Deductible		500	per occurrence
3. Perils Included			"All Risk"
B. Property Valuation:			
1. Buildings and Contents		Replacement Cost	
2. Contractors Equipment		Actual Cash Value	
3. Automobiles		Actual Cash Value	
II. Boiler and Machinery:			
A. Limit of Liability		125,000,000	
1. ACCASBOJIF Self Insured Retention			None
2. Member District Deductible			1,000
III. Crime			
A. Limits of Liability		500,000	
1. ACCASBOJIF Self Insured Retention		200,000	
2. Member District Deductible		500	
IV. General and Automobile Liability			
A. Limit of Liability		10,000,000	
1. ACCASBOJIF Self Insured Retention		150,000	
2. Member District Deductible			None
V. Workers' Compensation			
A. Limit of Liability			Statutory
1. ACCASBOJIF Self Insured Retention		250,000	
2. Member District Deductible			None
VI. Educator's Legal Liability			
A. Limit of Liability		10,000,000	
1. ACCASBOJIF Self Insured Retention		100,000	
2. Member District Deductible			None
VII. Pollution Legal Liability			
A. Limit of Liability		3,000,000	
1. ACCASBOJIF Self Insured Retention			None
2. Member District Deductible		25,000	

Excess and Reinsurance Carriers Involved

Property and Crime:

SPELLJIF, Selective Ins. Co. of America
Axis Surplus Insurance Company
United National Ins. Co.
Max Specialty Ins. Co.
Alliance Global Risk US Ins. Co.
RSUI Indemnity Company

General Liability and Automobile Liability:

SPELLJIF, Selective Ins. Co. of America

Workers' Compensation:

SPELLJIF, Selective Ins. Co. of America

Educators Legal Liability:

SPELLJIF, Selective Ins. Co. of America

Group Purchase of Primary Insurance Coverage Carrier Array

Boiler and Machinery:

Travelers Insurance Company

Pollution Legal Liability:

ACE American Ins. Co.

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and Members
of the Board of Education
Mullica Township School District
County of Atlantic
Mullica, New Jersey

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 Mullica Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Mullica Township School District's basic financial statements, and have issued our report thereon dated December 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mullica Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mullica Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mullica Township School District's internal control.

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

We also noted certain administrative findings that we reported to management of the Mullica Township School District, as described in a separate auditor's management report dated December 17, 2015.

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.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
December 17, 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
Mullica Township School District
County of Atlantic
Mullica, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Mullica 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. Mullica 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 Mullica 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 Mullica 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 Mullica Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Mullica 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 Mullica 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 Mullica 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 Mullica 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.

Robert W. Allison
Certified Public Accountant
Public School Accountant, No. 897

Freehold, New Jersey
December 17, 2015

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MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	BALANCE AT JUNE 30, 2015	
				FROM	TO					(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
<u>General Fund</u>											
Medicaid Aid Reimbursement	93.778	N/A	\$ 38,480	07/01/14	06/30/15	\$ -	\$ 38,480	\$ -	\$ -	\$ -	\$ -
Medicaid Aid Reimbursement - ARRA Funds	93.778	N/A	7,264	07/01/14	06/30/15	-	7,264	-	-	-	-
Total General Fund			45,744			(45,744)					
<u>Special Revenue Fund</u>											
U.S. Department of Education:											
Passed-Through State Department of Education:											
Title I	84.010A	NCLB348015	156,044	07/01/14	06/30/15	-	34,755	(204,914)	-	(170,159)	-
Title I	84.010A	NCLB348014	167,760	07/01/13	06/30/14	(52,526)	52,526	-	-	-	-
Title II, Part A	84.367	NCLB348015	37,610	07/01/14	06/30/15	-	5,304	(48,230)	-	(42,926)	-
Title II, Part A	84.367	NCLB348014	37,046	07/01/13	06/30/14	(2,847)	2,847	-	-	-	-
ID.E.A. Part B, Basic Regular	84.027	IDEA348015	161,989	07/01/14	06/30/15	-	43,339	(149,227)	-	(105,888)	-
ID.E.A. Part B, Basic Regular	84.027	IDEA348014	163,094	07/01/13	06/30/14	(34,314)	34,314	-	-	-	-
ID.E.A. Part B, Preschool	84.173A	IDEA348015	3,471	07/01/14	06/30/15	-	830	(2,282)	-	(1,452)	-
ID.E.A. Part B, Preschool	84.173A	IDEA348014	3,219	07/01/13	06/30/14	(4,012)	4,012	-	-	-	-
Race to the Top	84.413-A	Unavailable	8,296	09/01/11	11/30/15	(8,295)	-	-	-	(8,295)	-
21st Century Community Learning Supplemental	84.287C	N/A	30,000	09/01/14	08/31/15	-	402	(11,819)	-	(11,417)	-
21st Century Community Learning Supplemental	84.287C	N/A	30,000	09/01/13	08/31/14	-	30,000	(30,000)	-	-	-
21st Century Grant Comm. Learning Centers	84.287C	15E00033	425,000	09/01/14	08/31/15	-	348,637	(389,715)	-	(41,078)	-
21st Century Grant Comm. Learning Centers	84.287C	14E00033	425,000	09/01/13	08/31/14	(243,386)	243,386	-	-	-	-
21st Century Grant Comm. Learning Centers	84.287C	11E00033	494,543	09/01/10	08/31/11	25	-	-	(25)	-	-
Total Special Revenue Fund			800,352			(345,355)	(836,187)	(25)	(381,215)		
<u>Enterprise Fund</u>											
U.S. Department of Agriculture:											
Passed-Through State Department of Education:											
Food Distribution Program	10.550	N/A	21,006	07/01/14	06/30/15	-	21,006	(21,006)	-	-	-
National School Lunch Program	10.555	N/A	149,770	07/01/14	06/30/15	-	115,473	(149,770)	-	(34,297)	-
National School Lunch Program	10.555	N/A	152,931	07/01/13	06/30/14	(14,481)	14,481	-	-	-	-
Healthy Hunger Free Kids Act	10.551	N/A	4,356	07/01/14	06/30/15	-	3,374	(4,356)	-	(982)	-
Healthy Hunger Free Kids Act	10.551	N/A	4,648	07/01/13	06/30/14	(432)	432	-	-	-	-
School Breakfast Program	10.553	N/A	20,428	07/01/14	06/30/15	-	15,555	(20,428)	-	(4,873)	-
School Breakfast Program	10.553	N/A	21,984	07/01/13	06/30/14	(2,485)	2,485	-	-	-	-
Total Special Revenue Fund			172,806			(17,398)	(195,560)	-	(40,152)		
Total Federal Awards			\$ 1,018,902			\$ (362,753)	\$ (1,077,491)	\$ (25)	\$ (421,367)		

The accompanying Notes to Schedule of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MULLICA TOWNSHIP SCHOOL DISTRICT

**NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

June 30, 2015

Note 1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Mullica Township Board of Education. The Board of Education is defined in Note 1 to the 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 Schedules 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. These bases of accounting are described in Note 1 to the Board'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 \$(17,194) for the General Fund and \$57,496 for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

MULLICA TOWNSHIP SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2015

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 45,744	\$ 6,431,793	\$ 6,477,537
Special Revenue Fund	888,623	466,205	1,354,828
Capital Projects Fund	-	51,027	51,027
Debt Service Fund	-	28,437	28,437
Food Service Fund	195,560	3,734	199,294
	<hr/>	<hr/>	<hr/>
Total Awards and Financial Assistance	<u>\$ 1,129,927</u>	<u>\$ 6,981,196</u>	<u>\$ 8,111,123</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 Mullica Township School District had no loan balances outstanding at June 30, 2015.

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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? \$300,000.00

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>State Aid Public Cluster:</u>
<u>495-034-5120-089</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-085</u>	<u>Security Aid</u>
<u>495-034-5120-083</u>	<u>Adjustment Aid</u>
<u>495-034-5120-097</u>	<u>Under Adequacy Aid</u>
<u>495-034-5120-098</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-086</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5094-003</u>	<u>Preschool Education Aid</u>
	<u>Reimbursed TPAF Social Security</u>

**MULLICA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND 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.

None Reported

Section III – Federal Awards and State Financial Assistance Findings and 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 04-04 and/or 15-08.

None Reported

**MULLICA TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR 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