

**GREAT MEADOWS REGIONAL  
BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

OF THE

GREAT MEADOWS REGIONAL BOARD OF EDUCATION

GREAT MEADOWS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

GREAT MEADOWS REGIONAL SCHOOL BOARD OF EDUCATION

DEPARTMENT OF ADMINISTRATION

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**INTRODUCTORY SECTION**

## GREAT MEADOWS REGIONAL SCHOOL DISTRICT

PO Box 74  
Great Meadows, New Jersey 07838

DAVID C. MANGO  
Superintendent

TIMOTHY HAVLUSCH  
Business Administrator  
Board Secretary

ELLEN WEISS  
Administrative Assistant

SUPERINTENDENT'S OFFICE  
Telephone: 908-637-6576  
Fax: 908-637-6356

BUSINESS OFFICE  
Telephone: 908-637-8672  
Fax 908-637-6356

December 3, 2015

Honorable President and  
Members of the Board of Education  
Great Meadows Regional School District  
County of Warren, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Great Meadows Regional School District for the fiscal year ended June 30, 2015, is hereby submitted. Great Meadows Regional School District is a K-12 regional district, which became operational July 1, 1994. The constituent districts are Independence Township and Liberty Township. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Great Meadows Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's

report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Great Meadows Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. Great Meadows Regional Board of Education and its three school buildings, Central School and Great Meadows Middle School located in Independence Township and Liberty School located in Liberty Township, constitute the District's reporting entity.

The District provided a full range of educational services appropriate to grade levels kindergarten through 12. Liberty School housed grades 3 through 5; Central School housed grades K-2; Great Meadows Middle School housed a multiply disabled class and grades 6-8. All high school students from the District, grades 9-12, attended Hackettstown High School on a tuition basis. The District completed the 2014-15 fiscal year with a K-8 enrollment of 761 students (Central School housed 201, Liberty School housed 259, Great Meadows Middle School housed 301). There was a grade 9-12 enrollment of 372 students, and an additional 18 students were sent out-of-district to special programs and 2 students attended the regional charter school for a total resident enrollment of 1,153 students.

The following details the changes in students on roll enrollment of the District, as well as in each school building, since the District became operational July 1, 1994:

## Average Daily Enrollment

	<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
<b>Central School</b>	<b>2014-15</b>	<b>203.0</b>	<b>(10.0)</b>
	2013-14	224.6	(3.48)
	2012-13	232.7	(6.69)
	2011-12	249.4	(10.1)
	2010-11	277.0	(30.1) * 6
	2009-10	390.2	(0.002)
	2008-09	391.0	(0.001)
	2007-08	391.6	3.79
*6 Changed from K-5 TO K-2	2006-07	377.3	(1.10)
	2005-06	381.5	(3.07)
	2004-05	393.6	23.1 * 1
	2003-04	319.8	(7.6)
*1 Changed from K-4 to K-5 2004-05	2002-03	346.1	(5.8)
	2001-02	367.4	0.55
	2000-01	365.4	(2.09)
	1999-00	373.2	(3.81)
	1998-99	388.0	(27.54) *2
*2 Changed from K-6 to K-4 1998-99	1997-98	535.5	1.00
<b>Liberty School</b>	<b>2014-15</b>	<b>259.0</b>	<b>(10.0)</b>
	2013-14	285.3	(2.19)
	2012-13	291.7	(6.47)
	2011-12	311.9	5.01
	2010-11	297.0	28.0 *8
	2009-10	229.7	(0.025)
	2008-09	235.5	(0.02)
*8 Changed from K-5 to 3-5.	2007-08	240.2	(11.66)
	2006-07	271.9	3.46
	2005-06	262.8	6.01
	2004-05	247.8	43.7 *3
	2003-04	208.0	(4.37)
*3 Changed from K-4 to K-5 2004-05	2002-03	217.5	3.57
	2001-02	210.0	1.06
	2000-01	207.8	(10.74)
	1999-00	232.8	(5.13)
	1998-99	245.4	(35.91) *4
*4 Changed from K-8 to K-4 1998-99	1997-98	382.9	0.95

<b>Middle School</b>	<b>2014-15</b>	<b>298.3</b>	<b>(2.0)</b>
	2013-14	293.0	(8.92)
	2012-13	321.7	3.97
	2011-12	309.4	(6.24)
	2010-11	330.0	(1.2)
	2009-10	332.7	2.46
	2008-09	324.7	.003
	2007-08	323.5	(9.18)
	2006-07	356.2	(0.78)
	2005-06	359.0	(0.91)
	2004-05	362.3	(29.3) *5
	2003-04	512.4	3.22
*5 Changed from gr. 5-8	2002-03	496.4	(0.16)
to gr. 6-8 2004-05	2001-02	497.2	0.14
	2000-01	496.5	2.50
	1999-00	484.4	.90
<b>Total ADE</b>	<b>2014-15</b>	<b>760.3</b>	<b>(6.00)</b>
	2013-14	803.0	(5.09)
	2012-13	846.1	(2.82)
	2011-12	870.7	(7.75)
	2010-11	888.0	(4.5)
	2009-10	930.0	(2.3)
	2008-09	951.2	(0.04)
	2007-08	955.3	(4.99)
	2006-07	1005.4	0.21
	2005-06	1003.3	(0.04)
	2004-05	1003.7	(3.5)
	2003-04	1040.2	(1.87)
	2002-03	1060.0	(1.36)
	2001-02	1074.6	0.46
	2000-01	1069.7	(1.90)
	1999-00	1090.4	(2.07)
	1998-99	1113.5	21.24 *7
	1997-98	918.4	0.98

\*7 With the opening of the new Middle School, 7<sup>th</sup> and 8<sup>th</sup> graders formerly sent out of district on a tuition basis returned to the on-roll status of the district.

**2) ECONOMIC CONDITION AND OUTLOOK:** The Townships of Independence and Liberty are contiguous and are located in the central portion of Warren County. Independence Township was incorporated in 1782 and consists of 20.1 square miles in area while Liberty Township was formed in 1926 and consists of 12.25 square miles in area.

The Townships, although primarily rural, have experienced moderate population growth over the past decade. The Townships continue to be bedroom communities with very few commercial and industrial ratables. The availability of land, a prime location, an appealing environment and an excellent school system all point to a continuing pattern of growth in the foreseeable future. The Highlands Legislation may affect building in the area.

**3) MAJOR INITIATIVES:** The school district is proud of its efforts over the past thirteen years of operation.

Goals for the future include:

- Maintenance of quality, cost effective educational programs in the presence of decreasing state aid.
- Continued commitment to the district technology program.
- Continuing to address facility problems due to aging buildings

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

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

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

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

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

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

**7) DEBT ADMINISTRATION:** At June 30, 2015 the District's outstanding debt issue is \$ 5,215,000.

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

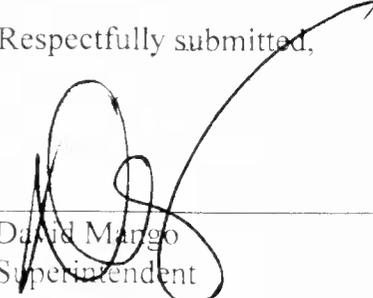
**9) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

**10) OTHER INFORMATION:** A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, CPA, PC, Washington, NJ, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's

reports related specifically to the single audit are included in the single audit section of this report.

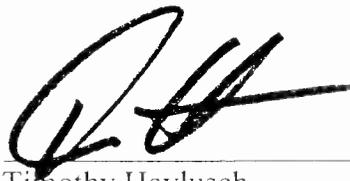
**11) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Great Meadows Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



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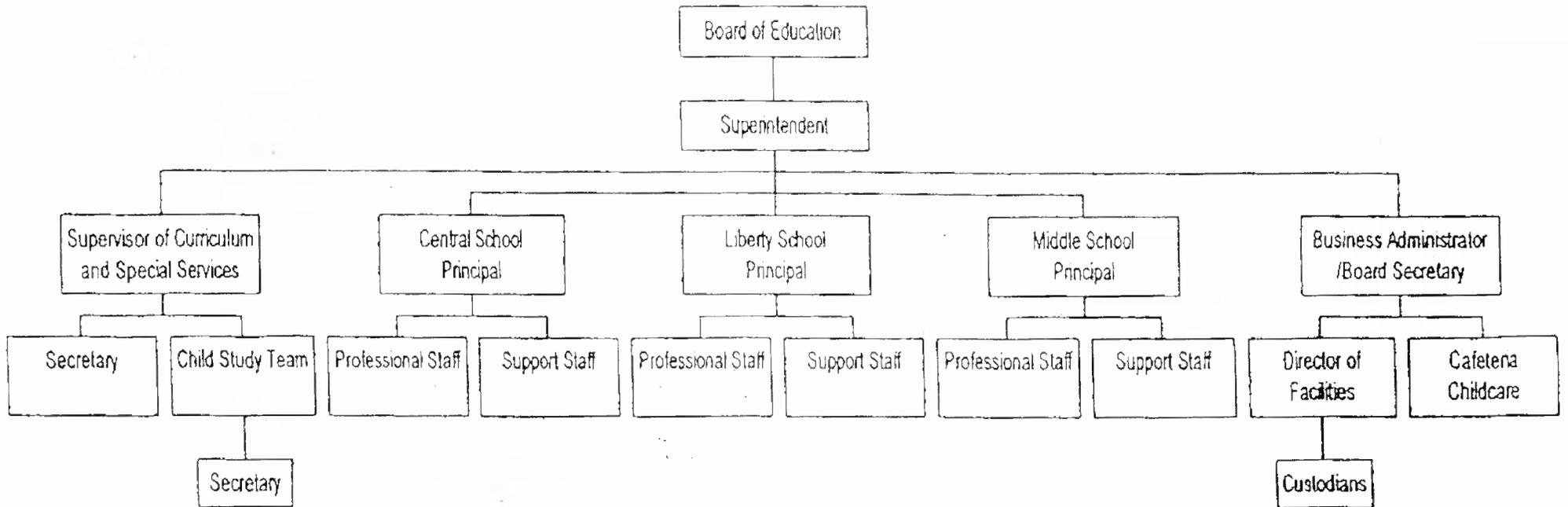
David Margo  
Superintendent



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Timothy Havlusch  
Business Administrator/Board Secretary

GREAT MEADOWS REGIONAL



**GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2015**

**Members of the Board of Education**

**Term Expires**

Edward O'Melia, President	December 31, 2016
Joseph Mailloux, Vice President	December 31, 2016
Jamie Cicerelle	December 31, 2017
Susan Cullen	December 31, 2017
Fred Miller	December 31, 2015
Lori Prymak	December 31, 2016
David Schmitz	December 31, 2015
Agatha Wilke	December 31, 2017
William Vonder Haar	December 31, 2015

**Other Officials**

David Mango, Superintendent

Timothy Havlusch, Board Secretary/School Business Administrator

Paula Hatch, Treasurer

Mark Toscano, Attorney

**GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ATTORNEY**

**Comegno Law Group, PC**  
521 Pleasant Valley Avenue  
Morrestown, New Jersey 08057

**AUDIT FIRM**

**William M. Colantano, Jr., C.P.A., P.C.**  
100 Route 31 North  
Washington, New Jersey 07882-1530

**FISCAL AGENT**

**Depository Trust**  
55 Water Street, 50th Floor  
New York, NY 10041

**First Hope Bank**  
Route 519  
Hope, New Jersey 07844

**OFFICIAL DEPOSITORIES**

**First Hope Bank**  
Route 519  
Hope, New Jersey 07844

**Bank of America**  
Main Street  
Hackettstown, New Jersey 07840

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

December 3, 2015

Honorable President and  
Members of the Board of Education  
Great Meadows Regional School District  
County of Warren, 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 Board of Education of the Great Meadows Regional School District (the District) in the County of Warren, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 District, 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.

## 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 identified 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 District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

This section of the Great Meadows Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Our discussion and analysis of the Great Meadows Regional School District financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter on page 2 and the District's financial statements, which begin on page 14.

### Financial Highlights

- In total, net position increased **\$61,402**, which represents a **17.13** percent increase from 2014.
- General revenues accounted for **\$22,548,605** in revenue, or **97.52** percent of all revenues. Program specific revenues in the form of charges for services and operating grants were **\$573,221** or **2.84** percent of total revenues of **\$23,121,826**.
- Total assets of governmental activities increased by **\$1,554,568** as cash and cash equivalents increased by **\$824,193**, receivables increased by **\$287,092** and capital assets increased by **\$443,283**.
- The School District had **\$23,060,424** in expenses; only **\$573,221** of these expenses was offset by program specific charges for services, grants or contributions. General Revenues (primarily property taxes) of **\$22,548,605** were adequate to provide for these programs.
- Among major funds, the General Fund had **\$20,225,963** in revenues and **\$20,371,490** in expenditures. After accounting for other financing uses totaling **\$387,758**, the General Fund balance decreased by **\$533,285** from fiscal year 2014.

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

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the District, as a whole and present a long-term view of the District's finances. Fund financial

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

### **Reporting the School District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

Our analysis of the District as a whole begins on page 14. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse as a result of the year's activities?" The statement of Net Position and the Statement of Activities report information about the District as a whole and about the activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in it. You can think of the District's net position, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental Activities:** most of the School District's basic services are reported here, including general administration. Local taxes, tuition, and state and federal aid finance most of these activities.
- **Business-type Activity:** The District has one proprietary fund as shown on page 22 through 24 which is the Food Service Fund. The Food Service Fund provides low cost, well balanced meals to the students and staff in the District.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

The fund financial statements begin on page 17 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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Law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

### **Governmental Funds**

Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic service it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation on page 21.

### **Proprietary Funds**

When the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

### **The District as Trustee**

#### **Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or fiduciary, for the Student Activity and Payroll and Agency Funds. All of the District's fiduciary activities are reported in the separate Statement of Fiduciary Net Position on page 25. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **The School District as a Whole**

The Statement of Net Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net position). Net position may serve over time as a useful indicator of a district's financial position.

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

Table 1 provides a summary of the District's net position at June 30, 2015 with comparisons to June 30, 2014.

	<b>Table 1</b>		<b>Net Position</b>	
	6/30/15	6/30/14	Variance	
			Dollars	%
<b>ASSETS</b>				
Current & Other Assets	\$ 3,080,259	\$ 1,977,917	\$ 1,102,342	55.73
Capital Assets	8,918,980	8,483,665	435,315	5.13
Total Assets	<u>11,999,239</u>	<u>10,461,582</u>	<u>1,537,657</u>	14.70
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	492,926	115,036	377,890	328.50
<b>LIABILITIES</b>				
Long-Term Liabilities	11,668,081	9,469,863	2,198,218	23.21
Other Liabilities	216,366	748,402	(532,036)	(71.09)
Total Liabilities	<u>11,884,447</u>	<u>10,218,265</u>	<u>1,666,182</u>	16.31
Deferred Outflows of Resources:				
Deferred Amount on Pension Activity	187,963	-	187,963	*
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,912,869	2,765,995	146,874	5.31
Restricted	899,157	895,952	3,205	0.36
Unrestricted	<u>(3,392,271)</u>	<u>(3,303,594)</u>	<u>(88,677)</u>	(2.68)
Total Net Position	<u>\$ 419,755</u>	<u>\$ 358,353</u>	<u>\$ 61,402</u>	17.13

\* = Undefined

The net position of the District's activities increased by 17.13 percent. Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased \$88,677 or 2.68 percent. Restricted net position, those restricted mainly for capital projects increased by \$3,205 or .36 percent. The net investment in capital assets increased by \$146,874 or 5.31 percent.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2015 with comparisons to June 30, 2014.

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

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 211,145	\$ 198,067	\$ 13,078	6.60
Operating Grants	362,076	398,115	(36,039)	(9.05)
General Revenues:				
Property Taxes	13,455,270	13,152,849	302,421	2.30
Unrestricted Grants	9,051,461	7,208,671	1,842,790	25.56
Other	41,874	13,078	28,796	220.19
<b>Total Revenues</b>	<b>23,121,826</b>	<b>20,970,780</b>	<b>2,151,046</b>	<b>10.26</b>
Program Expenses				
Instruction:				
Regular	7,613,489	6,601,760	1,011,729	15.33
Special	1,451,427	976,196	475,231	48.68
Other	486,388	267,923	218,465	81.54
Support Services:				
Tuition	7,073,911	6,443,925	629,986	9.78
Student & Instructional Staff	1,813,729	1,753,640	60,089	3.43
General & Business Administration	726,105	688,811	37,294	5.41
School Administration	890,623	746,416	144,207	19.32
Maintenance	1,381,404	1,449,282	(67,878)	(4.68)
Transportation	1,060,410	942,179	118,231	12.55
Charter Schools	63,736	56,950	6,786	11.92
Food Service	218,877	224,059	(5,182)	(2.31)
Interest on Long-Term Debt	280,325	259,452	20,873	8.05
<b>Total Expenses</b>	<b>23,060,424</b>	<b>20,410,593</b>	<b>2,649,831</b>	<b>12.98</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 61,402</b>	<b>\$ 560,187</b>	<b>\$ (498,785)</b>	<b>(89.04)</b>

\* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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### Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 58.70 percent of revenues for governmental activities for the Great Meadows Regional School District for the fiscal year 2015. The District's total governmental revenues were \$22,921,790 for the year ended June 30, 2015.

The total cost of all program expenses and services for governmental activities was \$22,841,547.

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. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 9,551,304	\$ 7,845,879	\$ 9,430,253	\$ 7,758,427
Support Services:				
Tuition	7,073,911	6,443,925	6,908,970	6,245,487
Student & Instructional Staff	1,813,729	1,753,640	1,783,556	1,706,914
General & Business Administration	726,105	688,811	726,105	688,811
School Administration	890,623	746,416	890,623	746,416
Plant Operations & Maintenance	1,381,404	1,449,282	1,326,184	1,400,619
Pupil Transportation	1,060,410	942,179	1,058,610	941,844
Charter Schools	63,736	56,950	63,736	56,950
Interest on Long-Term Debt	280,325	259,452	280,325	259,452
Total Expenses	<u>\$ 22,841,547</u>	<u>\$ 20,186,534</u>	<u>\$ 22,468,362</u>	<u>\$ 19,804,920</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and students.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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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 include 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 on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

### **The School District's Funds**

All governmental funds, which are comprised of the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,250,793 and expenditures were \$22,180,344. The net increase in fund balance was most significant in the Capital Project Fund due to the receipt of lease purchase proceeds to fund several building projects that started in fiscal year 2015.

### **General Fund Budgeting Highlights**

The Great Meadows Regional School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Budgets are prepared in December/January with revenue information made available in February/March. The budget must be approved by the Board of Education in the beginning of March and sent to the county office for review. The budget is then approved by the Board of Education in late April. The fiscal year runs from July 1 through June 30. Changes can occur over that 18-month period.

Unanticipated shifts in enrollment, staffing needs, students requiring special services, uncertain energy costs, and unfunded programs are often mandated after a budget is adopted.

The District builds a budget to meet the needs of its students based on the information and projections that are available during the budget cycle.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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During the course of the 2015 fiscal year, the District amended its General Fund Budget by transferring funds as needed to prevent over-expenditures in specific line item accounts.

For the General Fund, budgeted revenues were \$18,997,310, which was \$19,343 above original budget estimates of \$18,977,967. The difference was due primarily to under budgeted state aid. General Fund revenues and other financing sources were less than expenditures and other financing uses by \$543,950.

### Capital Assets

At the end of the fiscal year 2015, the School District had \$8,918,980 invested in land, buildings, furniture and equipment, vehicles and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/2015 with comparisons to 6/30/2014.

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 159,653	\$ 159,653		
Construction in Progress	805,678	22,670	\$ 783,008	3453.94
Land Improvements	156,114	165,103	(8,989)	(5.44)
Buildings & Improvements	7,704,079	8,047,611	(343,532)	(4.27)
Furniture & Equipment	93,456	88,628	4,828	5.45
Total	<u>\$ 8,918,980</u>	<u>\$ 8,483,665</u>	<u>\$ 435,315</u>	<u>5.13</u>

Overall capital assets increased \$435,315 from fiscal year 2014 to fiscal year 2015.

### Long-term Liabilities and Debt

At year end, the District had total long-term liabilities of \$11,668,081 outstanding as compared to \$9,469,863 in the previous year – an increase of 23.21 percent – as shown in Table 5. The district received capital lease proceeds of \$2,600,000 in Fiscal Year 2015 to finance several building projects that will be started in fiscal year 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
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Table 5 provides a summary of the District's long-term liabilities at June 30, 2015 with comparisons to June 30, 2014.

**Table 5**  
**Long-term Liabilities at Year-end**

	6/30/15	6/30/14	Variance	
			Dollars	%
PERS Net Pension Liability	\$ 3,154,032	\$ 2,917,885	\$ 236,147	8.09
2008 Refunding Bonds	5,215,000	5,695,000	(480,000)	(8.43)
Capital Leases Payable	3,131,789	581,789	2,550,000	438.30
Compensated Absences	167,260	275,189	(107,929)	(39.22)
Total	<u>\$ 11,668,081</u>	<u>\$ 9,469,863</u>	<u>\$ 2,198,218</u>	23.21

\* = Undefined

The general obligation bonded debt of the District is limited by State law to 4 percent of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$ 33,893,652. General obligation debt authorized and outstanding at June 30, 2015 is \$5,215,000 resulting in a legal debt margin of \$28,678,652.

An analysis of the District's Debt is presented in Note 5 to the basic financial statements.

### **Factors Bearing on the District's Future**

The Great Meadows Regional School District is working to be in good financial condition. A major concern is the ever increasing cost of special education with an increased reliance on property taxes to fund the District programs. Future finances are not without challenges as the community continues to struggle in these difficult financial

The Great Meadows Regional School District continues to keep the local tax levy increase at the 2 percent cap. This tax levy cap presents significant challenges to the district as costs for special education, personnel, benefits and operating costs tend to rise at a faster rate.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Timothy Havlusch, School Business Administrator/Board Secretary at Great Meadows Regional School District, P.O. Box 74, Great Meadows, NJ 07838.

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents		\$ 14,477	\$ 14,477
Internal Balances	\$ (30,691)	30,691	
Due from Other Funds	2,000		2,000
Receivables, Net	501,421	3,462	504,883
Inventory		5,304	5,304
Restricted Assets:			
Restricted Cash & Cash Equivalents	161,816		161,816
Restricted Cash with Escrow Agent	2,391,779		2,391,779
Capital Assets (Note 4):			
Land and Construction in Progress	965,331		965,331
Other Capital Assets, Net of Depreciation	7,946,981	6,668	7,953,649
Total Assets	<u>11,938,637</u>	<u>60,602</u>	<u>11,999,239</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pension Liability	<u>492,926</u>	<u>-</u>	<u>492,926</u>
LIABILITIES			
Accounts Payable	54,304		54,304
Unearned Revenue	16,963	5,520	22,483
Accrued Interest	139,579		139,579
Long-Term Liabilities (Note 5):			
Due Within One Year	711,993		711,993
Due Beyond One Year	10,956,088		10,956,088
Total Liabilities	<u>11,878,927</u>	<u>5,520</u>	<u>11,884,447</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pension Liability	<u>187,963</u>	<u>-</u>	<u>187,963</u>
NET POSITION			
Net Investment in Capital Assets	2,906,201	6,668	2,912,869
Restricted For:			
Legal Reserves	475,865		475,865
Capital Projects	423,292		423,292
Unrestricted	<u>(3,440,685)</u>	<u>48,414</u>	<u>(3,392,271)</u>
TOTAL NET POSITION	<u>\$ 364,673</u>	<u>\$ 55,082</u>	<u>\$ 419,755</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 4,305,287	\$ 3,308,202	\$ 11,881	\$ 11,094		\$ (7,590,514)		\$ (7,590,514)
Special Education	828,883	622,544		63,700		(1,387,727)		(1,387,727)
Other Special Education	262,418	193,550		34,376		(421,592)		(421,592)
Other Instruction	19,603	10,817				(30,420)		(30,420)
Support Services:								
Tuition	7,073,911			164,941		(6,908,970)		(6,908,970)
Students & Instruction Related Services	1,239,362	574,367		30,173		(1,783,556)		(1,783,556)
General & Business Administration Services	528,863	197,242				(726,105)		(726,105)
School Administration Services	492,169	398,454				(890,623)		(890,623)
Plant Operations & Maintenance	1,137,096	244,308	55,220			(1,326,184)		(1,326,184)
Pupil Transportation	1,060,410		1,800			(1,058,610)		(1,058,610)
Charter Schools	63,736					(63,736)		(63,736)
Interest on Long-term Debt	280,325					(280,325)		(280,325)
Total Government Activities	<u>17,292,063</u>	<u>5,549,484</u>	<u>68,901</u>	<u>304,284</u>	<u>\$ -</u>	<u>(22,468,362)</u>	<u>\$ -</u>	<u>(22,468,362)</u>
Business-Type Activities:								
Food Service	218,877		142,244	57,792			(18,841)	(18,841)
Total Business-Type Activities	<u>218,877</u>	<u>-</u>	<u>142,244</u>	<u>57,792</u>	<u>-</u>	<u>-</u>	<u>(18,841)</u>	<u>(18,841)</u>
Total Primary Government	<u>\$ 17,510,940</u>	<u>\$ 5,549,484</u>	<u>\$ 211,145</u>	<u>\$ 362,076</u>	<u>\$ -</u>	<u>(22,468,362)</u>	<u>(18,841)</u>	<u>(22,487,203)</u>
			General Revenues, Special Items & Transfers					
						12,919,163		12,919,163
						536,107		536,107
						9,051,461		9,051,461
						935		935
						40,939		40,939
						<u>22,548,605</u>	<u>-</u>	<u>22,548,605</u>
						80,243	(18,841)	61,402
						<u>284,430</u>	<u>73,923</u>	<u>358,353</u>
						<u>\$ 364,673</u>	<u>\$ 55,082</u>	<u>\$ 419,755</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Due from Other Funds	\$ 201,302		\$ 372,191		\$ 573,493
Receivables from Other Governments:					
Federal		\$ 220,195			220,195
State	113,113				113,113
Local	35,575				35,575
Accounts Receivable-Other	132,538				132,538
Restricted Cash & Cash Equivalents	161,816				161,816
Restricted Cash with Escrow Agent			2,391,779		2,391,779
<b>TOTAL ASSETS</b>	<u>\$ 644,344</u>	<u>\$ 220,195</u>	<u>\$ 2,763,970</u>	<u>\$ -</u>	<u>\$ 3,628,509</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to Other Funds	\$ 402,882	\$ 199,302			\$ 602,184
Accounts Payable	50,374	3,930			54,304
Unearned Revenue		16,963			16,963
<b>Total Liabilities</b>	<u>453,256</u>	<u>220,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>673,451</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Project Fund Balance			\$ 2,628,470		\$ 2,628,470
Committed Fund Balance:					
Capital Reserve Account	\$ 314,250				314,250
Maintenance Reserve Account	61,615				61,615
Tuition Reserve Account	100,000				100,000
Assigned Fund Balance:					
Year-End Encumbrances	11,125		135,500		146,625
Unassigned Fund Balance	(295,902)				(295,902)
Total Fund Balances	<u>191,088</u>	<u>\$ -</u>	<u>2,763,970</u>	<u>\$ -</u>	<u>2,955,058</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 644,344</u>	<u>\$ 220,195</u>	<u>\$ 2,763,970</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net Position  
(A-1) are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is	\$ 17,331,660 8,419,348	8,912,312
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds		(11,668,081)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds		304,963
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		<u>(139,579)</u>
Total Net Position of Governmental Activities		<u>\$ 364,673</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 12,919,163			\$ 536,107	\$ 13,455,270
Interest Earned on Capital Reserve Funds	589				589
Interest on Investments	255		\$ 91		346
Miscellaneous	95,225	\$ 9,594			104,819
<b>Total</b>	<b>13,015,232</b>	<b>9,594</b>	<b>91</b>	<b>536,107</b>	<b>13,561,024</b>
State Sources	7,210,631			184,348	7,394,979
Federal Sources	100	294,690			294,790
<b>Total Revenues</b>	<b>20,225,963</b>	<b>304,284</b>	<b>91</b>	<b>720,455</b>	<b>21,250,793</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	4,277,595	11,094			4,288,689
Special Education Instruction	778,883	50,000			828,883
Other Special Instruction	228,042	34,376			262,418
Other Instruction	19,603				19,603
Support Service & Undistributed Costs:					
Tuition	6,908,970	164,941			7,073,911
Student & Instruction Related Services	1,208,427	30,173			1,238,600
General & Other Administrative Services	548,321				548,321
School Administrative Services	501,305				501,305
Plant Operations & Maintenance	1,133,241				1,133,241
Pupil Transportation	1,058,610				1,058,610
Unallocated Benefits	3,566,387	13,700			3,580,087

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 26,109		\$ 783,008		\$ 809,117
Transfer to Charter Schools	63,736				63,736
Debt Services:					
Principal	50,000			\$ 480,000	530,000
Interest & Other Charges	2,261			241,562	243,823
Total Expenditures	<u>20,371,490</u>	<u>\$ 304,284</u>	<u>783,008</u>	<u>721,562</u>	<u>22,180,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(145,527)</u>	<u>-</u>	<u>(782,917)</u>	<u>(1,107)</u>	<u>(929,551)</u>
Other Financing Sources (Uses):					
Lease Purchase Proceeds			2,600,000		2,600,000
Transfers In	101		387,859		387,960
Transfers Out	(387,859)		(101)		(387,960)
Total Other Financing Sources (Uses)	<u>(387,758)</u>	<u>-</u>	<u>2,987,758</u>	<u>-</u>	<u>2,600,000</u>
Net Changes in Fund Balances	(533,285)	-	2,204,841	(1,107)	1,670,449
Fund Balances, July 1	<u>724,373</u>	<u>-</u>	<u>559,129</u>	<u>1,107</u>	<u>1,284,609</u>
Fund Balances, June 30	<u>\$ 191,088</u>	<u>\$ -</u>	<u>\$ 2,763,970</u>	<u>\$ -</u>	<u>\$ 2,955,058</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Changes in Fund Balances-Governmental Funds (from B-2) \$ 1,670,449

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

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

Capital Outlays	\$ 809,117	
Depreciation Expense	<u>(365,834)</u>	443,283

Government funds report long-term liability proceeds as financing sources whereas issuing debt increases long-term liabilities in the government-wide statements

Capital Lease Proceeds	(2,600,000)
------------------------	-------------

Repayment of debt principal and capital leases are expenditures 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:

Debt Principal Payments	530,000
-------------------------	---------

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

	(46,220)
--	----------

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 accrued interest is a reconciling item.

	(25,198)
--	----------

In the statement of activities, compensated absences & early retirement benefits 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.

	<u>107,929</u>
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Change in Net Position of Governmental Activities \$ 80,243

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 14,477
Due from Other Funds	30,691
Receivables from Other Governments:	
State	227
Federal	3,235
Inventories	5,304
Total Current Assets	<u>53,934</u>
Noncurrent Assets:	
Capital Assets	286,561
Less: Accumulated Depreciation	<u>279,893</u>
Total Noncurrent Assets	<u>6,668</u>
Total Assets	<u>60,602</u>
LIABILITIES	
Current Liabilities:	
Unearned Revenue	<u>5,520</u>
Total Current Liabilities	<u>5,520</u>
NET POSITION	
Net Investment in Capital Assets	6,668
Unrestricted	<u>48,414</u>
TOTAL NET POSITION	<u>\$ 55,082</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 107,899
Daily Sales-Nonreimbursable Programs	<u>34,345</u>
Total Operating Revenues	<u>142,244</u>
Operating Expenses:	
Costs of Sales-reimbursable	76,944
Costs of Sales-nonreimbursable	20,391
Salaries	74,327
Employee Benefits	13,421
Purchased Property Services	6,356
Insurance	1,320
Management Fees	10,449
Other Purchased Services	2,834
General Supplies	4,867
Depreciation	7,968
Total Operating Expenses	<u>218,877</u>
Operating Income (Loss)	<u>(76,633)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,188
Federal Sources:	
National School Lunch Program	42,720
Food Donation Program	<u>12,884</u>
Total Nonoperating Revenues (Expenses)	<u>57,792</u>
Change in Net Position	(18,841)
Total Net Position, Beginning	<u>73,923</u>
Total Net Position, Ending	<u><u>\$ 55,082</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 143,058
Payments to Employees	(14,853)
Payments to Food Services Management Company	(171,069)
Payments to Vendors	(9,758)
Net Cash Used For Operating Activities	(52,622)
Cash Flows from Noncapital Financing Activities:	
State Sources	2,227
Federal Sources	42,030
General Fund Interfund Activity	(30,691)
Net Cash Provided by Noncapital Financing Activities	13,566
Net Decrease in Cash and Cash Equivalents	(39,056)
Cash and Cash Equivalents, Beginning	53,533
Cash and Cash Equivalents, Ending	\$ 14,477
Reconciliation of Operating Loss to Net	
Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (76,633)
Adjustments to Reconcile Operating Loss	
to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	7,968
Federal Food Donation Program	12,884
(Increase) Decrease in Prepaid Expenses	1,531
(Increase) Decrease in Inventory	(302)
Increase (Decrease) in Unearned Revenue	1,930
Net Cash Used For Operating Activities	\$ (52,622)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

	Student Activity Agency Fund	Payroll Agency Fund
	<u>                    </u>	<u>                    </u>
ASSETS		
Cash & Cash Equivalents	\$ 24,931	\$ 9,363
TOTAL ASSETS	<u>\$ 24,931</u>	<u>\$ 9,363</u>
LIABILITIES		
Due to Other Funds		\$ 2,000
Due to Student Groups	\$ 24,931	
Payroll Deductions & Withholdings		<u>7,363</u>
TOTAL LIABILITIES	<u>\$ 24,931</u>	<u>\$ 9,363</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Great Meadows Regional School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District serves the communities of the Township of Independence and the Township of Liberty. The District had an approximate enrollment at June 30, 2015 of 760 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:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. 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 for 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, 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 property taxes, and unrestricted state aids.

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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

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 State 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, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

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). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered 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.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. 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 and, if required are voted upon at the annual school election in November. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

E. 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 reservations of 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 unearned revenues at fiscal year end.

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

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents 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.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements & Portable Classroom	40
Land Improvements	20
Furniture	20
Musical Instruments	20
Athletic Equipment	15
Maintenance Equipment	10 to 15
Audio Visual Equipment	07 to 10
Office Equipment	05 to 10
Computer Equipment	05 to 10
Vehicles	05 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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 personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is unearned until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

N. Fund Balances-Governmental Funds (cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)**

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

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. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 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 a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. 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 saving 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.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash	\$ 210,587
Cash with Escrow Agent	<u>2,391,779</u>
	<u>\$ 2,602,366</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

	<u>Ref.</u>	
Unrestricted Cash:		
Enterprise Fund, Statement of Net Position	B-4	\$ 14,477
Fiduciary Funds, Statement of Net Position	B-7	34,294
Restricted Cash:		
Governmental Activities, Statement of Net Position	B-1	161,816
Restricted Cash with Escrow Agent:		
Governmental Funds Statement of Net Position	B-1	<u>2,391,779</u>
 Total Cash and Investments		 <u>\$ 2,602,366</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$2,602,366 and the bank balance is \$2,963,578. Of the bank balance, \$710,152 is covered by federal depository insurance and \$2,253,426 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had no investments.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 4. CAPITAL ASSETS**

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

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 159,653			\$ 159,653
Construction in Progress	22,670	\$ 783,008		805,678
Total	<u>182,323</u>	<u>783,008</u>	<u>\$ -0-</u>	<u>965,331</u>
Capital Assets, Being Depreciated:				
Building & Improvements	15,162,113			15,162,113
Land Improvements	861,487			861,487
Furniture & Equipment	316,620	26,109		342,729
Total	<u>16,340,220</u>	<u>26,109</u>	<u>-0-</u>	<u>16,366,329</u>
Accumulated Depreciation:				
Building & Improvements	7,114,502	343,532		7,458,034
Land Improvements	696,384	8,989		705,373
Furniture & Equipment	242,628	13,313		255,941
Total	<u>8,053,514</u>	<u>365,834</u>	<u>-0-</u>	<u>8,419,348</u>
Total Capital Assets, Being Depreciated, Net	<u>8,286,706</u>	<u>(339,725)</u>	<u>-0-</u>	<u>7,946,981</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,469,029</u>	<u>\$ 443,283</u>	<u>\$ -0-</u>	<u>\$ 8,912,312</u>
Business-Type Activities:				
Furniture & Equipment	\$ 286,561			\$ 286,561
Less: Accum Depreciation	<u>271,925</u>	<u>\$ 7,968</u>		<u>279,893</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,636</u>	<u>\$ (7,968)</u>	<u>\$ -0-</u>	<u>\$ 6,668</u>
Depreciation expense was charged to governmental functions in the current year as follows:				
Instruction:				
Regular	\$ 204,405			
Special Education	38,538			
Other Special Instruction	12,201			
Co-Curricular Activities	911			
Support Services:				
Student & Instruction	58,349			
General & Business Admin	25,493			
School Administration	23,307			
Plant & Maintenance	<u>2,630</u>			
Total Depreciation Expense, Governmental Activities	<u>\$ 365,834</u>			

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015 is as follows:

	Beginning Balance	Accruals	Payments	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 5,695,000		\$ 480,000	\$ 5,215,000	\$ 480,000
PERS Net Pension Liability	2,917,885	\$ 236,147		3,154,032	
Compensated Absences Payable	275,189	(29,149)	78,780	167,260	31,412
Capital Leases Payable	581,789	2,600,000	50,000	3,131,789	200,581
Total Governmental Activities Long-Term Liabilities	<u>\$ 9,469,863</u>	<u>\$ 2,806,998</u>	<u>\$ 608,780</u>	<u>\$ 11,668,081</u>	<u>\$ 711,993</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 480,000	\$ 218,762	\$ 698,762
2017	500,000	195,963	695,963
2018	520,000	175,587	695,587
2019	520,000	152,538	672,538
2020	530,000	130,438	660,438
2021-2025	2,665,000	323,913	2,988,913
Total	<u>\$ 5,215,000</u>	<u>\$ 1,197,201</u>	<u>\$ 6,412,201</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds – General obligation school refunding bonds payable at June 30, 2015, with their outstanding balances are comprised of the following individual issues:

\$8,355,000 – 2008 general obligation school refunding bonds due in annual installments of \$235,000 to \$ 550,000 beginning January 15, 2008 through January 15, 2025, interest from 4.00% to 4.75%	<u>\$ 5,215,000</u>
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Capital Leases Payable

The District is undergoing renovations to all buildings and implementing an energy savings project. Both projects are financed by capital leases. The following is a schedule of the future minimum lease payments under the capital leases and the net minimum lease payment at June 30, 2015:

<u>Year Ending June 30,</u>	<u>Total</u>
2016	\$ 273,651
2017	404,659
2018	401,780
2019	348,519
2020	201,449
2021-2025	912,579
2026-2030	1,069,193
2031	<u>64,585</u>
Total Minimum Lease Payments	3,676,415
Amount Representing Interest	<u>544,626</u>
Present Value of Minimum Lease Payments	<u>\$ 3,131,789</u>

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$33,893,652. General obligation debt at June 30, 2015 is \$5,215,000, resulting in a legal debt margin of \$28,678,652.

**NOTE 6. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS**

A. Public Employees' Retirement System (PERS)

**Plan Description**

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

The vesting and benefit provisions are set by NJSA 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Allocation Methodology and Reconciliation to Financial Statements**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

**Contributions**

The contribution policy for PERS is set by NJSA 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 years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Contributions** (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 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.

**Collective Net Pension Liability and Actuarial Information**

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 6,581,980	\$ 5,690,474
Plan Fiduciary Net Position	<u>3,427,948</u>	<u>2,772,589</u>
Net Pension Liability	<u>\$ 3,154,032</u>	<u>\$ 2,917,885</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

Inflation Rate	3.01%
Salary Increases (Based on Age):	
2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Components of Net Pension Liability (Cont'd)

Investment Rate of Return 7.90%

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.

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.

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2014</u>
At Current Discount Rate (5.39%)	\$ 3,154,032
At a 1% Lower Rate (4.39%)	3,967,880
At a 1% Higher Rate (6.39%)	2,470,607
	<u>2013</u>
At Current Discount Rate (5.55%)	\$ 2,917,885
At a 1% Lower Rate (4.55%)	3,632,382
At a 1% Higher Rate (6.55%)	2,319,231

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	99,180	
Net difference between projected and actual earnings on pension plan investments		187,963
Changes in proportion and differences between District contributions and proportionate share of contributions	254,870	
District contributions subsequent to the measurement date	<u>138,876</u>	<u>                    </u>
Total	<u>\$ 492,926</u>	<u>\$ 187,963</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$138,876 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 117,412	\$ 18,232	\$ 99,180
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	234,954	46,991	<u>187,963</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (88,783)</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS (Cont'd)**

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (28,759)
2016	(28,759)
2017	(28,759)
2018	(28,759)
2019	18,231
Thereafter	<u>8,022</u>
 Total	 <u>\$ (88,783)</u>

**Pension Expense**

For the year ended June 30, 2015, the District recognized net pension expense of \$185,096 which represents the District's proportionate share of allocable plan pension expense of \$162,157 plus net amortization of deferred amounts from changes in proportion of \$46,851 plus the pension expense related to specific liabilities of individual employers of \$820 and less other adjustments to the net pension liability of \$24,732. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 147,570
Interest on Total Pension Liability	348,180
Member Contributions	(80,816)
Administrative Expense	2,461
Expected Investment Return Net of Investment Expense	(225,477)
Pension Expense Related to Specific Liabilities of Individual Employers	(1,002)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	18,232
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(46,991)</u>
 Pension Expense	 <u>\$ 162,157</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6. PENSION PLANS (Cont'd)**

B. Teacher's Pension and Annuity Fund (TPAF)

**Plan Description**

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

**Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 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.

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	2014	2013
Net Pension Liability	\$ 30,782,398	\$30,000,335
Employer Pension Expense & Related Revenue	1,656,382	N/A
Non-Employer Contribution	244,655	384,457
Allocable Proportionate Percentage	.0575945226%	.0593605112%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 for 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	TPAF <u>Benefit Costs</u>	Percentage of APC <u>Contributed</u>
06/30/15	\$ 819,339	100%
06/30/14	643,141	100%
06/30/13	817,271	100%

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>
06/30/15	\$ 138,876	100%
06/30/14	115,036	100%
06/30/13	98,136	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$502,687 to the TPAF for post-retirement medical benefits and \$21,253 for the non-contributory insurance premiums and \$295,399 for pension costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$398,549 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and 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. PL 2007, Ch 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 eligible for 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

**Funding Policy**-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 8. DEFERRED COMPENSATION**

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

AXA Equitable  
 Siracusa Benefits  
 Lincoln Investment Planning

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

The composition of Interfund balances as of June 30, 2015 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 201,302	\$ 402,882
Special Revenue Fund		199,302
Capital Projects Fund	372,191	
Food Service Fund	30,691	
Payroll Agency Fund		2,000
	\$ 604,184	\$ 604,184

The balances due to the General Fund from the Special Revenue Fund represent a loan from the General Fund of \$199,302 to the Special Revenue Fund due to cash flow issues relating to the delayed receipt of grant revenues. The amount due from the General Fund to the Capital Projects Fund represents a loan from the Capital Projects Fund to the General Fund of \$372,191 due to cash flow problems relating to the delayed payment of state aid. The amount due from the General Fund to the Food Service Fund represents subsidy aid received in the General Fund but not yet disbursed to the Food Service Fund as of June 30, 2015. The amount due to the General Fund from the Payroll Agency Fund represents an imprest balance of \$2,000.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund June 30, 2015 consisted of the following:

Food	\$ 2,486
Supplies	2,818
	\$ 5,304

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

**NOTE 12. 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, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit the entire employee deduction of unemployment compensation to the State. Any claims for unemployment are paid for by the State from those funds.

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$1 on October 16, 2000 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

The following schedule is a summarization of the Legal Reserve Account for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
Capital Reserve	\$ 701,520		\$ 589	\$ 387,859	\$ 314,250
Tuition Reserve	100,000				100,000
Maintenance Reserve	93,315			31,700	61,615
	<u>\$ 894,835</u>	<u>\$ -0-</u>	<u>\$ 589</u>	<u>\$ 419,559</u>	<u>\$ 475,865</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 314,250	\$ 701,520
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	61,615	93,315
Tuition Reserve-Represents funds accumulated to finance for a foreseeable future tuition adjustment pursuant to NJAC 6A:23A-17.1(f)	100,000	100,000
Assigned:		
Year-End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	11,125	9,529
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements		10,024
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>279,292</u>	<u>395,844</u>
Total Fund Balance	<u>\$ 766,282</u>	<u>\$ 1,310,232</u>

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$-0-.

**NOTE 16. DEFICIT FUND BALANCE**

The district has a deficit fund balance of \$295,902 in the General Fund on a GAAP basis as of June 30, 2015 as reported in the fund statements. NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e. if one government recognizes an asset, the other government recognizes a liability).

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 16. DEFICIT FUND BALANCE (Cont'd)**

Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the June state aid payments, the unreserved, undesignated general fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to NJSA 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements for unassigned fund balance \$295,902 is less than the last state aid payment of \$575,194.

**NOTE 17. TRANSFER FROM RESTRICTED CASH ACCOUNTS TO UNRESTRICTED CASH ACCOUNTS**

As a direct result from a delay in the payment of state aid until the following fiscal year, the District was required to borrow funds from their restricted cash accounts to cover a temporary cash shortage in their unrestricted cash account. Following the receipt of the delayed state aid payment in the beginning of the following fiscal year, the funds were returned to the restricted cash accounts. This short-term borrowing from the restricted cash accounts was considered more advantageous to obtaining short-term debt obligations.

**NOTE 18: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through December 3, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**NOTE 19. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 19. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

**NOTE 20. RESTATEMENT OF PRIOR YEAR NET POSITION**

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	Governmental <u>Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 3,087,279
Add: Deferred Outflow of Resources for Pension Activity	115,036
Less: Net Pension Liability as of June 30, 2014	<u>(2,917,885)</u>
Net Position, June 30, 2014 as Restated	<u>\$ 284,430</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$3,440,685 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

**BUDGETARY COMPARISON SCHEDULES**

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 12,919,163		\$ 12,919,163	\$ 12,919,163	
Interest on Capital Reserve Funds	1,000		1,000	589	\$ (411)
Interest on Investments	250		250	255	5
Building Use Rent	90,650		90,650	53,995	(36,655)
Unrestricted Miscellaneous Revenues	4,600		4,600	41,230	36,630
<b>Total</b>	<b>13,015,663</b>	<b>\$ -</b>	<b>13,015,663</b>	<b>13,015,232</b>	<b>(431)</b>
State Sources:					
Categorical Special Education Aid	763,471		763,471	763,471	
Categorical Security Aid	105,232		105,232	105,232	
Categorical Transportation Aid	309,702		309,702	309,702	
Equalization Aid	4,672,930		4,672,930	4,672,930	
Adjustment Aid	32,369		32,369	32,369	
Extraordinary Aid	55,000		55,000	56,994	1,994
PARCC Readiness Aid	11,800		11,800	11,800	
Per Pupil Growth Aid	11,800		11,800	11,800	
Non Public Remote Transportation Aid				17,780	17,780
On-Behalf TPAF Pension Contribution				316,652	316,652
On-Behalf TPAF Post Retirement Medical Benefits				502,687	502,687
Reimbursed TPAF Social Security Contribution				398,549	398,549
<b>Total</b>	<b>5,962,304</b>	<b>-</b>	<b>5,962,304</b>	<b>7,199,966</b>	<b>1,237,662</b>
Federal Sources:					
Medicaid Reimbursement	-	-	-	100	100
<b>TOTAL REVENUES</b>	<b>\$ 18,977,967</b>	<b>\$ -</b>	<b>\$ 18,977,967</b>	<b>\$ 20,215,298</b>	<b>\$ 1,237,331</b>
<b>EXPENDITURES</b>					
Current:					
Regular Programs:					
Instruction-Salaries of Teachers:					
Kindergarten	\$ 259,655	\$ (54,747)	\$ 204,908	\$ 204,908	
Grades 1-5	2,139,900	(115,562)	2,024,338	2,024,338	
Grades 6-8	1,614,020	45,460	1,659,480	1,659,480	
Home Instruction:					
Salaries of Teachers	6,200	(2,438)	3,762	3,762	
Other Purchased Services	13,000	(1,208)	11,792	11,792	
Undistributed Instruction:					
Other Salaries for Instruction	219,162	(219,162)			
Purchased Professional-Educational Services	8,500	(8,500)			
Purchased Technical Services	22,500	(3,047)	19,453	19,018	\$ 435
Other Purchased Services	109,023	(53,412)	55,611	55,611	
General Supplies	245,418	20,775	266,193	265,725	468
Textbooks	16,122	6,771	22,893	22,893	
Other Objects	5,127	4,941	10,068	10,068	
<b>Total</b>	<b>4,658,627</b>	<b>(380,129)</b>	<b>4,278,498</b>	<b>4,277,595</b>	<b>903</b>
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	6,265	(3,935)	2,330	2,330	-
Resource Room/Center:					
Salaries of Teachers	563,725	28,228	591,953	591,953	
Other Salaries for Instruction		184,600	184,600	184,600	
<b>Total</b>	<b>563,725</b>	<b>212,828</b>	<b>776,553</b>	<b>776,553</b>	<b>-</b>
<b>Total Special Education</b>	<b>569,990</b>	<b>208,893</b>	<b>778,883</b>	<b>778,883</b>	<b>-</b>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Basic Skills/Remedial:					
Salaries of Teachers	\$ 114,510	\$ 62,972	\$ 177,482	\$ 177,482	
General Supplies	300	1,073	1,373	1,373	
Total	114,810	64,045	178,855	178,855	\$ -
Bilingual Education:					
Salaries of Teachers	54,320	(5,432)	48,888	48,888	
General Supplies		299	299	299	
Total	54,320	(5,133)	49,187	49,187	-
School Sponsored Co-Curricular Activities:					
Salaries	10,000	(5,100)	4,900	4,900	-
School Sponsored Athletics:					
Salaries	5,000	1,850	6,850	6,850	-
Summer School-Instruction:					
Salaries	6,000	1,430	7,430	7,430	
Other Salaries of Instruction	4,300	(4,300)			
Other Purchased Services	700	(700)			
Supplies and Materials	700	(277)	423	423	
Total	11,700	(3,847)	7,853	7,853	-
Total Instruction-Regular	\$ 5,424,447	\$ (119,421)	\$ 5,305,026	\$ 5,304,123	\$ 903
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs within the State-Regular	\$ 5,361,168	\$ 1,507	\$ 5,362,675	\$ 5,362,675	
Other LEAs within the State-Special	728,580	286,041	1,014,621	1,014,621	
County Vocational School District-Regular	46,132		46,132	46,132	
County Vocational School District-Special	25,000	5,330	30,330	30,330	
CSSD and Regional Day Schools	614	49,690	50,304	146,983	\$ (96,679)
Private School for the Disabled Within The State	433,558	(125,329)	308,229	308,229	
Total	6,595,052	217,239	6,812,291	6,908,970	(96,679)
Health Services:					
Salaries	164,870	3,092	167,962	167,962	
Purchased Professional and Technical Services	3,500	290	3,790	3,790	
Other Objects	4,000	2,520	6,520	6,180	340
Total	172,370	5,902	178,272	177,932	340
Speech, OT, PT and Related Services:					
Salaries	151,990	(500)	151,490	151,490	
Purchased Professional-Educational Services	126,000	(92,884)	33,116	33,116	
Total	277,990	(93,384)	184,606	184,606	-
Other Support Services-Students-Extraordinary:					
Salaries	91,906	(7,593)	84,313	84,313	
Purchased Professional-Educational Services	53,000	85,266	138,266	138,078	188
Total	144,906	77,673	222,579	222,391	188
Guidance:					
Salaries of Other Professional Staff	113,790		113,790	113,790	
Salaries of Secretarial and Clerical Assistants	14,469	70	14,539	14,539	
Purchased Professional-Educational Services	1,500	(1,500)			
Supplies and Materials	150	(150)			
Total	129,909	(1,580)	128,329	128,329	-

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Child Study Teams:					
Salaries of Other Professional Staff		\$ 1,885	\$ 1,885	\$ 1,885	
Salaries of Secretarial and Clerical Assistants	\$ 18,266	90	18,356	18,356	
Purchased Professional-Educational Services	201,859	35,200	237,059	237,059	
Miscellaneous Purchased Services		42	42	42	
Supplies and Materials	1,000	6,237	7,237	7,237	
Total	221,125	43,454	264,579	264,579	\$ -
Improvement of Instructional Services:					
Salaries of Other Professional Staff	13,667	(5,333)	8,334	8,334	
Salaries of Secretarial and Clerical Assistants	3,482	18	3,500	3,500	
Other Salaries	26,357	259	26,616	26,616	
Purchased Professional - Educational Services	58,750	(4,600)	54,150	54,150	
Other Purchased Services		5,806	5,806	5,806	
Supplies and Materials		649	649	649	
Other Objects		25	25	25	
Total	102,256	(3,176)	99,080	99,080	-
Educational Media Service for School Library:					
Salaries	110,505	(10,144)	100,361	100,361	
Salaries of Technology Coordinators	28,559	333	28,892	28,892	
Supplies and Materials	3,000	(743)	2,257	2,257	
Total	142,064	(10,554)	131,510	131,510	-
Support Services-General Administration:					
Salaries	64,599	158	64,757	64,757	
Legal Services	30,000	40,020	70,020	68,882	1,138
Audit Fees	20,000	(1,300)	18,700	18,700	
Other Purchased Professional Services	78,000	8,409	86,409	86,409	
Purchased Technical Services	500	(500)			
Communications and Telephone	25,000	21,225	46,225	46,225	
Miscellaneous Purchased Services	11,000	23,922	34,922	32,988	1,934
General Supplies	500	876	1,376	1,376	
BOE In-House Training/Meeting Supplies	80	45	125	125	
Miscellaneous Expenditures	7,000	7,439	14,439	14,439	
Total	236,679	100,294	336,973	333,901	3,072
Support Services-School Administration:					
Salaries of Principals/Asst Principals/Pgm Directors	375,192	(3,177)	372,015	372,015	
Salaries of Secretarial and Clerical Assistants	126,010	(134)	125,876	125,876	
Purchased Professional and Technical Services		1,000	1,000	1,000	
Supplies and Materials	2,500	(166)	2,334	2,334	
Other Objects		80	80	80	
Total	503,702	(2,397)	501,305	501,305	-
Central Services:					
Salaries	187,968	(2,244)	185,724	185,724	
Purchased Professional Services	1,125	6,285	7,410	6,285	1,125
Supplies and Materials	200	422	622	622	
Interest on Lease Purchase Agreement	12,297	(993)	11,304	11,304	
Miscellaneous Expenditures	500	2,124	2,624	2,624	
Total	202,090	5,594	207,684	206,559	1,125
Administrative Information Technology Services:					
Salaries	5,386		5,386	5,386	
Purchased Technical Services		2,475	2,475	2,475	
Total	5,386	2,475	7,861	7,861	-

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Required Maintenance for School Facilities:					
Salaries	\$ 79,863	\$ 547	\$ 80,410	\$ 80,410	
Cleaning, Repair, and Maintenance Services	71,267	16,587	87,854	87,298	\$ 556
General Supplies	13,000	3,081	16,081	16,081	
Other Objects	2,500	1,018	3,518	3,518	
Total	166,630	21,233	187,863	187,307	556
Custodial Services:					
Salaries	323,755	39,641	363,396	363,396	
Purchased Professional and Technical Services	70,350	8,843	79,193	77,152	2,041
Cleaning, Repair, and Maintenance Services	60,000	(6,837)	53,163	52,881	282
Insurance	55,000	374	55,374	55,374	
Miscellaneous Purchased Services	2,500	999	3,499	3,499	
General Supplies	30,478	4,296	34,774	33,050	1,724
Energy (Electricity)	250,500	(34,976)	215,524	215,524	
Energy (Oil)	175,000	(62,660)	112,340	112,340	
Other Objects	500	3,309	3,809	3,809	
Total	968,083	(47,011)	921,072	917,025	4,047
Care and Upkeep of Grounds:					
Salaries	27,289	268	27,557	27,557	
Purchased Professional and Technical Services	1,000	(1,000)			
Cleaning, Repair, and Maintenance Services	4,000	(4,000)			
General Supplies	800	552	1,352	1,352	
Total	33,089	(4,180)	28,909	28,909	-
Student Transportation Services:					
Management Fee-ESC Transportation Program	127,308	(112,294)	15,014	15,014	
Other Purchased Professional & Technical Services	17,700	(425)	17,275	17,275	
Contracted Svc-Aid in Lieu Payments-N/P Schools	62,812	621	63,433	62,549	884
Contracted Svc-Aid in Lieu Payments-Charter School	6,188	(884)	5,304	5,304	
Contracted Svc (Between Home & School)-Vendors	628,250	4,079	632,329	632,319	10
Contracted Svc (Other than Btw Home & Sch)-Vend	1,000	(1,000)			
Contracted Svc (Sp Ed Students)-Joint Agreements		26,439	26,439	26,439	
Contracted Svc (Sp Ed Students)-ESCs & CTSA's	164,000	135,710	299,710	299,710	
General Supplies	4,600	(4,600)			
Other Objects	100	(100)			
Total	1,011,958	47,546	1,059,504	1,058,610	894
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	140,000	(14,239)	125,761	125,761	
Other Retirement Contributions-PERS	147,000	(1,317)	145,683	145,683	
Other Retirement Contributions-Regular	3,200	274	3,474	3,474	
Unemployment Compensation	10,297	18,517	28,814	28,814	
Workmen's Compensation	84,000	(22,797)	61,203	61,203	
Health Benefits	2,043,690	(143,255)	1,900,435	1,900,435	
Tuition Reimbursement	31,994	(6,056)	25,938	25,938	
Other Employee Benefits	61,523	(4,332)	57,191	57,191	
Total	2,521,704	(173,205)	2,348,499	2,348,499	-
On-Behalf TPAF Pension Contribution				316,652	(316,652)
On-Behalf TPAF Post Retirement Medical Benefits				502,687	(502,687)
Reimbursed TPAF Social Security Contribution				398,549	(398,549)
Total	-	-	-	1,217,888	(1,217,888)
Total Undistributed Expenditures	\$ 13,434,993	\$ 185,923	\$ 13,620,916	\$ 14,925,261	\$ (1,304,345)
TOTAL CURRENT	\$ 18,859,440	\$ 66,502	\$ 18,925,942	\$ 20,229,384	\$ (1,303,442)

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ -	\$ 26,109	\$ 26,109	\$ 26,109	\$ -
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements-Principal	50,000		50,000	50,000	
Assessment for Debt Service on SDA Funding	2,261		2,261	2,261	
Total	52,261	-	52,261	52,261	-
TOTAL CAPITAL OUTLAY	\$ 52,261	\$ 26,109	\$ 78,370	\$ 78,370	\$ -
TRANSFER OF FUNDS TO CHARTER SCHOOLS	\$ 84,569	\$ (20,833)	\$ 63,736	\$ 63,736	\$ -
TOTAL EXPENDITURES	\$ 18,996,270	\$ 71,778	\$ 19,068,048	\$ 20,371,490	\$ (1,303,442)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (18,303)	\$ (71,778)	\$ (90,081)	\$ (156,192)	\$ (66,111)
Other Financing Sources (Uses):					
Operating Transfers In-Capital Projects Fund				101	101
Operating Transfers Out-Capital Reserve Account to Capital Projects Fund	(387,859)		(387,859)	(387,859)	
Total Other Financing Sources (Uses)	(387,859)	-	(387,859)	(387,758)	101
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(406,162)	(71,778)	(477,940)	(543,950)	(66,010)
Fund Balances, July 1	1,310,232	-	1,310,232	1,310,232	-
Fund Balances, June 30	\$ 904,070	\$ (71,778)	\$ 832,292	\$ 766,282	\$ (66,010)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Adjustment for Prior Year Encumbrances	\$ (9,529)		\$ (9,529)	\$ (9,529)	
Increase in Capital Reserve	1,000		1,000	589	\$ (411)
Withdrawal from Capital Reserve	(387,859)		(387,859)	(387,859)	
Increase in Maintenance Reserve	250		250		(250)
Withdrawal from Maintenance Reserve		\$ (31,700)	(31,700)	(31,700)	
Budgeted Fund Balance	(10,024)	(40,078)	(50,102)	(115,451)	(65,349)
TOTAL	\$ (406,162)	\$ (71,778)	\$ (477,940)	\$ (543,950)	\$ (66,010)
RECAPITULATION OF FUND BALANCE					
Committed For:					
Capital Reserve			\$ 314,250		
Maintenance Reserve			61,615		
Tuition Reserve-Fiscal Year 2015-2016			100,000		
				\$ 475,865	
Assigned For:					
Year-End Encumbrances				11,125	
Unassigned Fund Balance				279,292	
				766,282	
Reconciliation to Governmental Statements (GAAP):					
Last St Aid Payments Not Recognized on GAAP Basis				(575,194)	
Fund Balance Per Governmental Funds (GAAP)				\$ 191,088	

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 9,594		\$ 9,594	\$ 9,594	
Federal Sources	308,985		308,985	307,763	\$ (1,222)
TOTAL REVENUES	<u>\$ 318,579</u>	<u>\$ -</u>	<u>\$ 318,579</u>	<u>\$ 317,357</u>	<u>\$ (1,222)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 73,080		\$ 73,080	\$ 73,080	
Tuition	164,941		164,941	164,941	
General Supplies	25,638		25,638	25,638	
Totals	<u>263,659</u>	<u>\$ -</u>	<u>263,659</u>	<u>263,659</u>	<u>\$ -</u>
Support Services:					
Salaries	7,650		7,650	7,650	
Employee Benefits	26,320	(1,820)	24,500	24,500	
Purchased Professional & Technical Services	1,000	1,820	2,820	1,820	1,000
Other Purchased Services	14,450		14,450	14,228	222
Supplies & Materials	5,500		5,500	5,500	
Total	<u>54,920</u>	<u>-</u>	<u>54,920</u>	<u>53,698</u>	<u>1,222</u>
TOTAL EXPENDITURES	<u>\$ 318,579</u>	<u>\$ -</u>	<u>\$ 318,579</u>	<u>\$ 317,357</u>	<u>\$ 1,222</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows  
and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
	<u>                    </u>	<u>                    </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary budgetary comparison schedules	\$ 20,215,298	\$ 317,357
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		3,668
Prior Year Encumbrances Adjustment		(1,000)
Outstanding Encumbrances-Current Year		(15,741)
Difference-Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	585,859	
State Aid Receivable-Current Year	<u>(575,194)</u>	
Total Revenues (GAAP Basis)	<u>\$ 20,225,963</u>	<u>\$ 304,284</u>
 <u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,371,490	\$ 317,357
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		3,668
Prior Year Encumbrances Adjustment		(1,000)
Outstanding Encumbrances-Current Year		<u>(15,741)</u>
Total Expenditures (GAAP Basis)	<u>\$ 20,371,490</u>	<u>\$ 304,284</u>

**REQUIRED SUPPLEMENTARY INFORMATION-PART III**

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A						
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		30,782,398	30,000,335							
Total	\$ -	\$ 30,782,398	\$ 30,000,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 5,743,558	\$ 5,613,864							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

N/A = Not Available

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 316,652	\$ 243,649	\$ 383,561	\$ 188,093	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(316,652)	(243,649)	(383,561)	(188,093)						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 5,419,890	\$ 5,743,558	\$ 5,613,864	\$ 5,625,510	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Employee Payroll	5.84%	4.24%	6.83%	3.34%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not Available

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0168460007%	0.0152673017%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 3,154,032	\$ 2,917,885							
District's Covered Employee Payroll	N/A	1,062,273	1,139,750	N/A						
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		296.91%	256.01%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A = Not Available

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 138,876	\$ 115,036	\$ 98,136	\$ 126,145	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(138,876)	(115,036)	(98,136)	(126,145)						
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 1,009,899	\$ 1,062,273	\$ 1,139,750	\$ 1,008,137	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Employee Payroll	13.75%	10.83%	8.61%	12.51%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not Available

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
(UNAUDITED)

JUNE 30, 2014 AND 2013

**NOTE 1. SPECIAL FUNDING SITUATION-TPAF**

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

## OTHER SUPPLEMENTARY INFORMATION

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Various Local Grants	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Preschool	Total
REVENUES						
Local Sources	\$ 9,594					\$ 9,594
Federal Sources		\$ 45,849	\$ 22,473	\$ 234,471	\$ 4,970	307,763
<b>TOTAL REVENUES</b>	<b>\$ 9,594</b>	<b>\$ 45,849</b>	<b>\$ 22,473</b>	<b>\$ 234,471</b>	<b>\$ 4,970</b>	<b>\$ 317,357</b>
EXPENDITURES						
Instruction:						
Salaries		\$ 16,080	\$ 7,000	\$ 50,000		\$ 73,080
Tuition				159,971	\$ 4,970	164,941
General Supplies	\$ 4,094	21,544				25,638
<b>Total</b>	<b>4,094</b>	<b>37,624</b>	<b>7,000</b>	<b>209,971</b>	<b>4,970</b>	<b>263,659</b>
Support Services:						
Salaries		7,650				7,650
Personal Services-Employee Benefits				24,500		24,500
Purchased Professional and Technical Services			1,820			1,820
Other Purchased Services		575	13,653			14,228
Supplies & Materials	5,500					5,500
<b>Total</b>	<b>5,500</b>	<b>8,225</b>	<b>15,473</b>	<b>24,500</b>	<b>-</b>	<b>53,698</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,594</b>	<b>\$ 45,849</b>	<b>\$ 22,473</b>	<b>\$ 234,471</b>	<b>\$ 4,970</b>	<b>\$ 317,357</b>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2014
			Prior Years	Current Year	
Security Upgrades at the Middle School	06/30/14	\$ 68,640	\$ 1,605	\$ (71)	\$ 67,106
Security Upgrades and Window Replacement at Central School	06/30/14	223,113	5,216	15,337	202,560
Security Upgrades and Roof Replacement at Liberty School	06/30/14	677,895	15,849	(699)	662,745
Energy Savings Project	02/26/15	2,600,000		768,441	1,831,559
		<u>\$ 3,569,648</u>	<u>\$ 22,670</u>	<u>\$ 783,008</u>	<u>\$ 2,763,970</u>

GREAT MEADOWS REGIONAL 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 and Other Financing Sources:

Local Sources:	
Lease Purchase Proceeds	\$ 2,600,000
Transfer In from Capital Reserve Account	387,859
Interest Earnings	91
	<hr/>
Total Revenues	2,987,950
	<hr/>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	8,867
Construction Services	774,141
Transfer out to General Fund	101
	<hr/>
Total Expenditures	783,109
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,204,841
	<hr/>
Fund Balance-Beginning	559,129
	<hr/>
Fund Balance-Ending	\$ 2,763,970
	<hr/>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS  
SECURITY UPGRADES AT THE MIDDLE SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant			-	\$ 27,456
Local Sources:				
Transfer In from Capital Reserve Account		\$ 27,456	\$ 27,456	
Lease Purchase Proceeds	\$ 41,184		41,184	41,184
Total Revenues	41,184	27,456	68,640	68,640
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	1,605	(71)	1,534	4,800
Construction Services				63,840
Total Expenditures	1,605	(71)	1,534	68,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 39,579	\$ 27,527	\$ 67,106	\$ -
<u>Additional Project Information</u>				
Project Number	1785-040-14-1001			
Grant Date	06/30/14			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 68,640			
Reduction in Authorized Cost	\$ -			
Revised Authorized Cost	\$ 68,640			
Percentage Complete	2%			

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS  
SECURITY UPGRADES AND WINDOW REPLACEMENT AT THE CENTRAL SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant				\$ 89,245
Local Sources:				
Transfer In from Capital Reserve Account		\$ 89,245	\$ 89,245	
Lease Purchase Proceeds	\$ 133,868		133,868	133,868
Total Revenues	133,868	89,245	223,113	223,113
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	5,216	9,637	14,853	16,000
Construction Services		5,700	5,700	207,113
Total Expenditures	5,216	15,337	20,553	223,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 128,652	\$ 73,908	\$ 202,560	\$ -
<u>Additional Project Information</u>				
Project Number	1785-050-14-1002			
Grant Date	06/30/14			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 223,113			
Reduction in Authorized Cost	\$ -			
Revised Authorized Cost	\$ 223,113			
Percentage Complete	9%			

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS  
SECURITY UPGRADES AND ROOF REPLACEMENT AT THE LIBERTY SCHOOL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant				\$ 271,158
Local Sources:				
Transfer In from Capital Reserve Account		\$ 271,158	\$ 271,158	
Lease Purchase Proceeds	\$ 406,737		406,737	406,737
Total Revenues	<u>406,737</u>	<u>271,158</u>	<u>677,895</u>	<u>677,895</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	15,849	(699)	15,150	15,150
Construction Services				662,745
Total Expenditures	<u>15,849</u>	<u>(699)</u>	<u>15,150</u>	<u>677,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 390,888</u>	<u>\$ 271,857</u>	<u>\$ 662,745</u>	<u>\$ -</u>
<u>Additional Project Information</u>				
Project Number	1785-060-14-1003			
Grant Date	06/30/14			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 677,895			
Reduction in Authorized Cost	\$ -			
Revised Authorized Cost	\$ 677,895			
Percentage Complete	2%			

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS  
ENERGY SYSTEM IMPROVEMENT PLANS AT ALL DISTRICT FACILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Lease Purchase Proceeds		\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Total Revenues	\$ -	2,600,000	2,600,000	2,600,000
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services				38,530
Construction Services		768,441	768,441	2,561,470
Total Expenditures	-	768,441	768,441	2,600,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,831,559	\$ 1,831,559	\$ -
<u>Additional Project Information</u>				
Project Number		1785-040-15-1000		
		1785-050-15-1000		
		1785-060-15-1000		
Grant Date		N/A		
Original Bonds Authorized Date		N/A		
Original Bonds Authorized		N/A		
Original Bonds Issued		N/A		
Original Authorized Cost		\$ 2,600,000		
Reduction in Authorized Cost		\$ -		
Revised Authorized Cost		\$ 2,600,000		
Percentage Complete		30%		

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FUND NET POSITION  
 ENTERPRISE FUND  
 JUNE 30, 2015

	<u>Food Service Fund</u>
Current Assets:	
Cash & Cash Equivalents	\$ 14,477
Due from Other Funds	30,691
Receivables from Other Governments:	
State	227
Federal	3,235
Inventories	5,304
Total Current Assets	<u>53,934</u>
Noncurrent Assets:	
Capital Assets	286,561
Less: Accumulated Depreciation	<u>279,893</u>
Total Noncurrent Assets	<u>6,668</u>
Total Assets	<u>60,602</u>
 LIABILITIES	
Current Liabilities:	
Unearned Revenue	<u>5,520</u>
Total Current Liabilities	<u>5,520</u>
 NET POSITION	
Net Investment in Capital Assets	6,668
Unrestricted	<u>48,414</u>
TOTAL NET POSITION	<u><u>\$ 55,082</u></u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 107,899
Daily Sales-Nonreimbursable Programs	34,345
Total Operating Revenues	142,244
Operating Expenses:	
Costs of Sales-Reimbursable	76,944
Costs of Sales-Nonreimbursable	20,391
Salaries	74,327
Employee Benefits	13,421
Purchased Property Services	6,356
Insurance	1,320
Management Fees	10,449
Other Purchased Services	2,834
General Supplies	4,867
Depreciation	7,968
Total Operating Expenses	218,877
Operating Income (Loss)	(76,633)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	2,188
Federal Sources:	
National School Lunch Program	42,720
Food Donation Program	12,884
Total Nonoperating Revenues (Expenses)	57,792
Change in Net Position	(18,841)
Total Net Position, Beginning	73,923
Total Net Position, Ending	\$ 55,082

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 143,058
Payments to Employees	(14,853)
Payments to Food Services Management Company	(171,069)
Payments to Vendors	(9,758)
Net Cash Used For Operating Activities	<u>(52,622)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,227
Federal Sources	42,030
General Fund Interfund Activity	<u>(30,691)</u>
Net Cash Provided by Noncapital Financing Activities	<u>13,566</u>
Net Decrease in Cash and Cash Equivalents	(39,056)
Cash and Cash Equivalents, Beginning	<u>53,533</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 14,477</u></u>
Reconciliation of Operating Loss to Net	
Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (76,633)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	7,968
Federal Food Donation Program	12,884
(Increase) Decrease in Prepaid Expenses	1,531
(Increase) Decrease in Inventory	(302)
Increase (Decrease) in Unearned Revenue	<u>1,930</u>
Net Cash Used For Operating Activities	<u><u>\$ (52,622)</u></u>

**FIDUCIARY FUND**

**DETAIL STATEMENTS**

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS			
Cash & Cash Equivalents	\$ 24,931	\$ 9,363	\$ 34,294
TOTAL ASSETS	<u>\$ 24,931</u>	<u>\$ 9,363</u>	<u>\$ 34,294</u>
LIABILITIES			
Due to Other Funds		\$ 2,000	\$ 2,000
Due to Student Groups	\$ 24,931		24,931
Payroll Deductions & Withholdings		7,363	7,363
TOTAL LIABILITIES	<u>\$ 24,931</u>	<u>\$ 9,363</u>	<u>\$ 34,294</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 24,847	\$ 90,698	\$ 90,614	\$ 24,931
<b>TOTAL ASSETS</b>	<b>\$ 24,847</b>	<b>\$ 90,698</b>	<b>\$ 90,614</b>	<b>\$ 24,931</b>
<b>LIABILITIES</b>				
Due to Student Groups:				
Central School	\$ 4,071	\$ 4,053	\$ 5,545	\$ 2,579
Liberty School	2,560	6,532	6,388	2,704
Middle School	18,216	80,113	78,681	19,648
<b>TOTAL LIABILITIES</b>	<b>\$ 24,847</b>	<b>\$ 90,698</b>	<b>\$ 90,614</b>	<b>\$ 24,931</b>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,224	\$ 7,788,106	\$ 7,787,967	\$ 9,363
<b>TOTAL ASSETS</b>	<b>\$ 9,224</b>	<b>\$ 7,788,106</b>	<b>\$ 7,787,967</b>	<b>\$ 9,363</b>
<b>LIABILITIES AND RESERVES</b>				
Due to Other Funds	\$ 2,000			\$ 2,000
Payroll Deductions & Withholdings	7,224	\$ 3,420,590	\$ 3,420,451	7,363
Net Payroll		4,367,516	4,367,516	
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>\$ 9,224</b>	<b>\$ 7,788,106</b>	<b>\$ 7,787,967</b>	<b>\$ 9,363</b>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount					
General Obligation Refunding School Bonds of 2008	12/20/07	\$ 8,355,000	01/15/16	\$ 480,000	4.750%				
			01/15/17	450,000	4.000%				
				50,000	4.750%				
			01/15/18	220,000	4.000%				
				300,000	4.750%				
			01/15/19	520,000	4.250%				
			01/15/20	530,000					
			01/15/21	525,000					
			01/15/22	525,000	4.000%				
			01/15/23	520,000					
			01/15/24	545,000					
			01/15/25	550,000					
					\$ 5,695,000	\$ -	\$ 480,000	\$ 5,215,000	

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Interest Rate	Amount of Original Issue	Balance 07/01/14	Issued Current Year	Retired Current Year	Balance 06/30/15
Renovations at Central, Liberty and Middle Schools	2.16%	\$ 581,789	\$ 581,789		\$ 50,000	\$ 531,789
Energy System Improvement Plan	2.363%	2,600,000		\$ 2,600,000		2,600,000
			<u>\$ 581,789</u>	<u>\$ 2,600,000</u>	<u>\$ 50,000</u>	<u>\$ 3,131,789</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 536,107		\$ 536,107	\$ 536,107	
State Sources:					
Debt Service Aid Type II	184,348		184,348	184,348	
Total Revenues	<u>720,455</u>	<u>\$ -</u>	<u>720,455</u>	<u>720,455</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Redemption of Principal	480,000		480,000	480,000	-
Interest on Bonds	241,562		241,562	241,562	-
Total Expenditures	<u>721,562</u>	<u>-</u>	<u>721,562</u>	<u>721,562</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,107)	-	(1,107)	(1,107)	-
Fund Balance, July 1	<u>1,107</u>	<u>-</u>	<u>1,107</u>	<u>1,107</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue and Other Financing Sources Over(Under) Expenditures and Other Financing Uses:					
Budgeted Fund Balance	<u>\$ (1,107)</u>	<u>\$ -</u>	<u>\$ (1,107)</u>	<u>\$ (1,107)</u>	<u>\$ -</u>

STATISTICAL SECTION

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES  
(UNAUDITED)

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-6
<b>REVENUE CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-7 to J-15
<b>DEBT CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-16 to J-20
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-21 to J-22
<b>OPERATING INFORMATION</b>	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-23 to J-27

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 1,982,839	\$ 2,048,403	\$ 2,233,997	\$ 2,169,119	\$ 2,067,713	\$ 2,223,422	\$ 2,280,547	\$ 2,580,148	\$ 2,751,359	\$ 2,906,201
Restricted	398,741	767,510	1,282,077	1,249,737	851,370	268,809	302,390	601,003	895,952	899,157
Unrestricted	102,764	93,604	(20,144)	(456,883)	(287,781)	(439,822)	(427,747)	(663,529)	(3,362,881)	(3,440,685)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,484,344</b>	<b>\$ 2,909,517</b>	<b>\$ 3,495,930</b>	<b>\$ 2,961,973</b>	<b>\$ 2,631,302</b>	<b>\$ 2,052,409</b>	<b>\$ 2,155,190</b>	<b>\$ 2,517,622</b>	<b>\$ 284,430</b>	<b>\$ 364,673</b>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 29,378	\$ 54,536	\$ 40,606	\$ 40,336	\$ 40,066	\$ 57,321	\$ 35,419	\$ 24,320	\$ 14,636	\$ 6,668
Unrestricted	25,415	46,654	61,645	71,108	82,654	81,263	68,188	59,073	59,287	48,414
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 54,793</b>	<b>\$ 101,190</b>	<b>\$ 102,251</b>	<b>\$ 111,444</b>	<b>\$ 122,720</b>	<b>\$ 138,584</b>	<b>\$ 103,607</b>	<b>\$ 83,393</b>	<b>\$ 73,923</b>	<b>\$ 55,082</b>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 2,012,217	\$ 2,102,939	\$ 2,274,603	\$ 2,209,455	\$ 2,107,779	\$ 2,280,743	\$ 2,315,966	\$ 2,604,468	\$ 2,765,995	\$ 2,912,869
Restricted	398,741	767,510	1,282,077	1,249,737	851,370	268,809	302,390	601,003	895,952	899,157
Unrestricted	128,179	140,258	41,501	(385,775)	(205,127)	(358,559)	(359,559)	(604,456)	(3,303,594)	(3,392,271)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 2,539,137</b>	<b>\$ 3,010,707</b>	<b>\$ 3,598,181</b>	<b>\$ 3,073,417</b>	<b>\$ 2,754,022</b>	<b>\$ 2,190,993</b>	<b>\$ 2,258,797</b>	<b>\$ 2,601,015</b>	<b>\$ 358,353</b>	<b>\$ 419,755</b>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 5,682,783	\$ 5,964,787	\$ 6,342,308	\$ 6,365,004	\$ 6,625,624	\$ 6,233,798	\$ 6,324,035	\$ 6,893,927	\$ 6,601,760	\$ 7,613,489
Special Education	752,050	748,305	649,274	590,167	610,771	578,486	1,106,202	1,039,462	976,196	1,451,427
Other Instruction	251,083	225,358	214,485	186,423	213,765	135,509	233,416	244,637	267,923	486,388
<b>Support Services:</b>										
Tuition	6,416,140	6,610,839	6,939,549	7,412,871	7,471,174	8,180,781	7,177,323	6,541,194	6,500,875	7,137,647
Student & Instruction Related Services	1,323,489	1,380,181	1,510,879	1,518,762	1,494,296	1,377,734	1,697,007	1,713,346	1,753,640	1,813,729
General & Business Administrative Services	500,494	664,152	691,863	594,160	584,263	552,999	724,352	628,034	688,811	726,105
School Administration	500,195	456,864	466,690	511,007	497,091	505,510	608,888	705,221	746,416	890,623
Plant Operations & Maintenance	1,073,546	1,067,988	1,261,993	1,231,186	1,266,575	1,336,289	1,214,530	1,349,828	1,449,282	1,381,404
Pupil Transportation	1,049,208	1,238,822	1,223,682	1,253,663	1,114,332	1,071,411	794,567	845,042	942,179	1,060,410
Interest on Long-Term Debt	395,324	378,558	394,047	332,991	322,057	308,733	294,224	275,906	259,452	280,325
Unallocated Depreciation	33,127	35,641	35,641	35,641	35,641	38,113				
<b>Total Governmental Activities Expenses</b>	<b>17,977,439</b>	<b>18,771,495</b>	<b>19,730,411</b>	<b>20,031,875</b>	<b>20,235,589</b>	<b>20,319,363</b>	<b>20,174,544</b>	<b>20,236,597</b>	<b>20,186,534</b>	<b>22,841,547</b>
<b>Business-Type Activities:</b>										
Food Services	234,371	235,215	243,387	228,484	226,973	214,089	264,899	223,129	224,059	218,877
Child Care	106,057	550								
<b>Total Business-Type Activities</b>	<b>340,428</b>	<b>235,765</b>	<b>243,387</b>	<b>228,484</b>	<b>226,973</b>	<b>214,089</b>	<b>264,899</b>	<b>223,129</b>	<b>224,059</b>	<b>218,877</b>
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 18,317,867</b>	<b>\$ 19,007,260</b>	<b>\$ 19,973,798</b>	<b>\$ 20,260,359</b>	<b>\$ 20,462,562</b>	<b>\$ 20,533,452</b>	<b>\$ 20,439,443</b>	<b>\$ 20,459,726</b>	<b>\$ 20,410,593</b>	<b>\$ 23,060,424</b>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services							\$ 30,910	\$ 11,604	\$ 49,706	\$ 68,901
Operating Grants & Contributions	\$ 363,697	\$ 266,089	\$ 437,626	\$ 337,757	\$ 442,837	\$ 572,683	518,132	354,663	331,908	304,284
Capital Grants & Contributions	86,023				79,560		(18,167)			
<b>Total Governmental Activities Program Revenues</b>	<b>449,720</b>	<b>266,089</b>	<b>437,626</b>	<b>337,757</b>	<b>522,397</b>	<b>572,683</b>	<b>530,875</b>	<b>366,267</b>	<b>381,614</b>	<b>373,185</b>
Business-Type Activities:										
Charges for Services:										
Food Service	197,684	194,787	190,703	180,913	179,558	172,715	161,116	145,633	148,361	142,244
Child Care	94,167			(756)						
Operating Grants & Contributions	46,840	49,212	53,745	57,520	58,691	57,238	67,529	58,615	66,207	57,792
<b>Total Business-Type Activities Program Revenues</b>	<b>338,691</b>	<b>243,999</b>	<b>244,448</b>	<b>237,677</b>	<b>238,249</b>	<b>229,953</b>	<b>228,645</b>	<b>204,248</b>	<b>214,568</b>	<b>200,036</b>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<b>\$ 788,411</b>	<b>\$ 510,088</b>	<b>\$ 682,074</b>	<b>\$ 575,434</b>	<b>\$ 760,646</b>	<b>\$ 802,636</b>	<b>\$ 759,520</b>	<b>\$ 570,515</b>	<b>\$ 596,182</b>	<b>\$ 573,221</b>
<b>NET (EXPENSE) REVENUES</b>										
Governmental Activities	\$ (17,527,719)	\$ (18,505,406)	\$ (19,292,785)	\$ (19,694,118)	\$ (19,713,192)	\$ (19,746,680)	\$ (19,643,669)	\$ (19,870,330)	\$ (19,804,920)	\$ (22,468,362)
Business-Type Activities	(1,737)	8,234	1,061	9,193	11,276	15,864	(36,254)	(18,881)	(9,491)	(18,841)
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<b>\$ (17,529,456)</b>	<b>\$ (18,497,172)</b>	<b>\$ (19,291,724)</b>	<b>\$ (19,684,925)</b>	<b>\$ (19,701,916)</b>	<b>\$ (19,730,816)</b>	<b>\$ (19,679,923)</b>	<b>\$ (19,889,211)</b>	<b>\$ (19,814,411)</b>	<b>\$ (22,487,203)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,227,818	\$ 10,893,399	\$ 11,512,278	\$ 11,514,907	\$ 11,664,104	\$ 11,881,979	\$ 12,119,619	\$ 12,362,011	\$ 12,609,251	\$ 12,919,163
Taxes Levied for Debt Service	502,401	536,217	520,541	400,284	435,573	495,215	530,267	537,321	543,598	536,107
Unrestricted Grants & Contributions	7,003,402	7,435,417	7,615,333	7,102,805	7,175,409	6,703,258	7,145,724	7,320,869	7,208,671	9,051,461
Investment Earnings	64,178	105,954	73,019	14,868	5,226	294	37	35	744	935
Miscellaneous Income	35,191	29,582	158,027	127,297	102,209	35,907	40,780	13,176	12,313	40,939
Special Item-Loss on Disposal of Capital Assets								(650)		
Special Item-Prior Year Accounts Receivable Canceled							(51,381)			
Special Item-Prior Year Grants Receivable Canceled							(38,596)			
Operating Transfer	(740)									
<b>Total Governmental Activities</b>	<b>17,832,250</b>	<b>19,000,569</b>	<b>19,879,198</b>	<b>19,160,161</b>	<b>19,382,521</b>	<b>19,116,653</b>	<b>19,746,450</b>	<b>20,232,762</b>	<b>20,374,577</b>	<b>22,548,605</b>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Miscellaneous							\$ 1,277		\$ 21	
Special Item-Loss on Disposal of Capital Assets								\$ (1,333)		
Operating Transfer	\$ 740									
Total Business-Type Activities	740	\$ -	\$ -	\$ -	\$ -	\$ -	1,277	(1,333)	21	\$ -
TOTAL DISTRICT-WIDE	\$ 17,832,990	\$ 19,000,569	\$ 19,879,198	\$ 19,160,161	\$ 19,382,521	\$ 19,116,653	\$ 19,747,727	\$ 20,231,429	\$ 20,374,598	\$ 22,548,605
CHANGE IN NET POSITION										
Governmental Activities	\$ 304,531	\$ 495,163	\$ 586,413	\$ (533,957)	\$ (330,671)	\$ (630,027)	\$ 102,781	\$ 362,432	\$ 569,657	\$ 80,243
Business-Type Activities	(997)	8,234	1,061	9,193	11,276	15,864	(34,977)	(20,214)	(9,470)	(18,841)
TOTAL DISTRICT	\$ 303,534	\$ 503,397	\$ 587,474	\$ (524,764)	\$ (319,395)	\$ (614,163)	\$ 67,804	\$ 342,218	\$ 560,187	\$ 61,402

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 170,279	\$ 527,637	\$ 1,029,635	\$ 896,038	\$ 229,614	\$ 5,853	\$ 13,943	\$ 13,943		
Committed	228,462	239,873	248,843	251,182	251,756	187,956	300,979	601,003	\$ 894,835	\$ 475,865
Assigned	275,000	404,950	230,397	211,114	456,183	149,832	118,616	2,307	19,553	11,125
Unassigned	120,341	56,120	64,376	(265,609)	(273,842)	(282,808)	(212,534)	(193,505)	(190,015)	(295,902)
Total General Fund	<u>\$ 794,082</u>	<u>\$ 1,228,580</u>	<u>\$ 1,573,251</u>	<u>\$ 1,092,725</u>	<u>\$ 663,711</u>	<u>\$ 60,833</u>	<u>\$ 221,004</u>	<u>\$ 423,748</u>	<u>\$ 724,373</u>	<u>\$ 191,088</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund					\$ 183,383	\$ 45,815			\$ 559,129	\$ 2,628,470
Assigned, Reported In:										
Capital Projects Fund										135,500
Debt Service Fund			\$ 3,599	\$ 2,517	2,918	2,518	\$ 1,411		1,107	
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,599</u>	<u>\$ 2,517</u>	<u>\$ 186,301</u>	<u>\$ 48,333</u>	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ 560,236</u>	<u>\$ 2,763,970</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 10,730,219	\$ 11,429,616	\$ 12,032,819	\$ 11,915,191	\$ 12,099,677	\$ 12,377,194	\$ 12,649,886	\$ 12,899,332	\$ 13,152,849	\$ 13,455,270
Tuition Charges	12,747									
Miscellaneous	89,239	152,523	645,651	145,792	111,751	42,269	70,552	22,090	63,424	105,754
State Sources	7,008,308	7,437,959	7,621,231	7,104,958	6,301,834	6,610,245	7,019,650	7,320,869	7,208,671	7,394,979
State Sources-Capital Projects	86,023				79,560		(18,187)			
Federal Sources	356,172	246,560	427,123	331,977	1,312,096	659,629	638,253	351,784	325,266	294,790
<b>Total Revenues</b>	<b>18,282,708</b>	<b>19,266,658</b>	<b>20,726,824</b>	<b>19,497,918</b>	<b>19,904,918</b>	<b>19,689,337</b>	<b>20,360,154</b>	<b>20,594,075</b>	<b>20,750,210</b>	<b>21,250,793</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	4,100,683	4,216,672	4,500,664	4,723,609	4,708,436	4,270,924	4,304,285	4,530,462	4,502,409	4,277,595
Special Education Instruction	637,042	617,157	540,467	494,767	508,255	487,624	698,902	623,344	616,111	778,883
Other Special Instruction	212,686	185,862	178,541	156,288	177,885	107,736	123,611	129,656	131,565	228,042
Other Instruction						6,489	8,135	6,100	24,053	19,603
<b>Support Services:</b>										
Tuition	5,434,948	5,452,225	5,776,605	6,214,590	6,217,157	6,895,835	6,854,550	6,257,235	6,245,487	6,908,970
Student & Inst Related Services	1,098,915	1,136,614	1,171,350	1,146,349	1,202,051	1,134,397	1,092,782	1,139,792	1,198,637	1,208,427
General Administration	268,071	370,947	383,058	306,593	294,378	280,473	329,984	290,952	336,117	333,901
School Administration Services	423,702	376,794	388,481	428,403	413,656	426,110	413,653	461,358	493,329	501,305
Central Services/Business	148,570	169,718	174,122	179,914	185,318	178,800	189,179	195,465	205,729	206,559
Administrative Information Technology	7,315	7,088	18,739	11,608	6,500	6,867	8,051	8,177	9,833	7,861
Plant Operations & Maintenance	852,058	878,278	1,050,506	1,032,166	1,053,984	1,126,400	987,553	1,130,844	1,209,408	1,133,241
Pupil Transportation	888,757	1,021,706	1,018,615	1,051,010	927,294	903,126	789,669	831,961	941,844	1,058,610
Employee Benefits	1,977,838	2,052,269	2,053,058	2,221,652	2,383,886	2,159,731	2,053,322	2,160,686	2,275,114	2,348,499
On-Behalf TPAF Pension & Soc Sec Contributions	656,811	1,085,179	1,088,839	842,725	862,565	837,080	983,157	1,265,913	1,068,741	1,217,888
Transfer to Charter Schools	49,040	79,848	78,270	114,161	90,000	140,250	84,784	60,215	56,950	63,736
Capital Outlay	90,082	149,065	279,930	145,634	32,529	92,940		220,434	70,322	26,109
Capital Projects	215,059				15,517	137,568			22,670	783,008
Special Revenue Funds	363,697	266,089	437,626	337,757	442,837	572,683	518,132	354,663	331,908	304,284
<b>Debt Service:</b>										
Principal	315,000	380,000	830,000	235,000	300,000	350,000	415,000	440,000	465,000	530,000
Interest & Other Charges	403,301	386,649	409,683	337,300	327,900	315,150	301,832	285,485	265,911	243,823
<b>Total Expenditures</b>	<b>18,143,575</b>	<b>18,832,160</b>	<b>20,378,554</b>	<b>19,979,526</b>	<b>20,150,148</b>	<b>20,430,183</b>	<b>20,156,581</b>	<b>20,392,742</b>	<b>20,471,138</b>	<b>22,180,344</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	139,133	434,498	348,270	(481,608)	(245,230)	(740,846)	203,573	201,333	279,072	(929,551)
<b>Other Financing Sources (Uses):</b>										
Prior Year Accounts Receivable Canceled							(51,381)			
Prior Year Grant Receivable Canceled							(38,596)			
Lease Purchase Proceeds									581,789	2,600,000
Transfers In (Out)	(740)									
<b>Total Other Financing Sources (Uses)</b>	<b>(740)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(89,977)</b>	<b>-</b>	<b>581,789</b>	<b>2,600,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ 138,393</b>	<b>\$ 434,498</b>	<b>\$ 348,270</b>	<b>\$ (481,608)</b>	<b>\$ (245,230)</b>	<b>\$ (740,846)</b>	<b>\$ 113,596</b>	<b>\$ 201,333</b>	<b>\$ 860,861</b>	<b>\$ 1,670,449</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.20%</b>	<b>4.28%</b>	<b>6.57%</b>	<b>2.97%</b>	<b>3.22%</b>	<b>3.40%</b>	<b>3.69%</b>	<b>3.73%</b>	<b>3.72%</b>	<b>3.76%</b>

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 LOCAL TAX LEVY BY CONSTITUENT DISTRICT  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended June 30	Total	Township of Independence	Township of Liberty
2006	\$ 10,730,219	\$ 6,741,290	\$ 3,988,929
2007	11,429,616	7,170,597	4,259,019
2008	12,032,819	7,401,041	4,631,778
2009	11,915,191	7,398,483	4,516,708
2010	12,099,677	7,472,585	4,627,092
2011	12,377,194	7,675,912	4,701,282
2012	12,649,886	7,827,349	4,822,537
2013	12,899,332	8,018,233	4,881,099
2014	13,152,849	8,266,020	4,886,829
2015	13,455,270	8,520,575	4,934,695

Source: District Records

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 64,178	\$ 94,543	\$ 64,049	\$ 14,868	\$ 1,226	\$ 294	\$ 37	\$ 35	\$ 734	\$ 844
Tuition	12,747			95,743	3,272					
Prior Year Refunds	426	5,344	6,703	12,983	65,798	19,741	11,471	6,019	3,692	12,316
Prior Year Accounts Payable Canceled							5,596	1,019	8,114	2,641
Prior Year Outstanding Checks Canceled							5,889			6,623
Grants/Donations	2,619							5,300		7,971
Building Use Fees	21,218	21,718	27,930	17,900	18,960	14,265	23,762	6,000	43,725	53,995
Local Government Energy Audit Program							13,625			
E-Rate Rebates										11,092
Book Fines							305	6	205	291
Miscellaneous	798	2,520	34,348	671	14,179	1,901	2,083	125	302	296
<b>Annual Totals</b>	<b>\$ 101,986</b>	<b>\$ 124,125</b>	<b>\$ 133,030</b>	<b>\$ 142,165</b>	<b>\$ 103,435</b>	<b>\$ 36,201</b>	<b>\$ 62,768</b>	<b>\$ 18,504</b>	<b>\$ 56,772</b>	<b>\$ 96,069</b>

Source: District Records

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 ALL CONSTITUENT DISTRICTS COMBINED  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 22,864,700	\$ 20,066,800	\$ 20,218,660	\$ 19,413,700	\$ 19,332,800	\$ 19,113,800	\$ 18,597,300	\$ 17,876,500	\$ 13,211,100	\$ 12,883,600
Residential	817,181,000	823,569,500	828,213,700	833,494,500	834,269,500	837,270,000	833,245,800	828,498,100	660,238,600	660,580,300
Farm Regular	50,484,300	51,214,700	52,248,300	53,753,400	54,209,800	52,998,200	54,572,200	53,342,400	44,767,900	44,274,300
Q Farm	2,884,034	2,812,044	2,801,633	2,797,334	2,821,419	2,783,545	2,808,273	2,780,610	2,700,400	2,594,900
Commercial	35,774,800	35,175,200	37,101,400	37,112,500	37,153,200	36,283,000	36,900,400	36,352,300	31,201,100	31,196,800
Industrial	3,947,300	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	2,413,500	2,413,500
Apartment	16,673,100	16,220,400	15,873,100	15,873,100	15,873,100	15,873,100	15,873,100	15,873,100	15,470,400	15,470,400
<b>Total Assessed Value</b>	<b>949,809,234</b>	<b>952,919,844</b>	<b>960,317,993</b>	<b>966,305,734</b>	<b>967,521,019</b>	<b>968,182,845</b>	<b>965,858,273</b>	<b>958,584,210</b>	<b>770,003,000</b>	<b>769,413,800</b>
Public Utilities (a)	2,298,402	2,207,737	2,058,489	1,882,266	2,122,818	2,108,017	2,142,576	593,543	406,852	-
<b>Net Valuation Taxable</b>	<b>\$ 952,107,636</b>	<b>\$ 955,127,581</b>	<b>\$ 962,376,482</b>	<b>\$ 968,188,000</b>	<b>\$ 969,643,837</b>	<b>\$ 970,290,862</b>	<b>\$ 968,000,849</b>	<b>\$ 959,177,753</b>	<b>\$ 770,409,852</b>	<b>\$ 769,413,800</b>
Estimated Actual County Equalized) Value	\$ 973,169,652	\$ 1,073,220,620	\$ 1,139,924,969	\$ 1,116,630,470	\$ 1,053,459,199	\$ 1,008,668,990	\$ 964,897,334	\$ 884,947,944	\$ 800,770,196	\$ 815,789,959
Percentage of Net Valuation to Estimated Actual County Equalized Value	97.84%	89.00%	84.42%	86.71%	92.04%	96.20%	100.32%	108.39%	96.21%	94.32%
Regional School Tax Rate by Constituent District:										
Independence Township	\$ 1.04	\$ 1.08	\$ 1.07	\$ 1.07	\$ 1.10	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.70
Liberty Township	\$ 1.61	\$ 1.74	\$ 1.67	\$ 1.71	\$ 1.73	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80

Source: Municipal Tax Assessors

**NOTE** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

\* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF INDEPENDENCE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 14,028,100	\$ 13,043,100	\$ 13,292,260	\$ 12,669,300	\$ 12,659,900	\$ 12,709,200	\$ 12,211,100	\$ 11,240,300	\$ 7,238,900	\$ 7,086,400
Residential	592,669,400	595,614,900	598,075,100	603,000,600	602,981,100	604,215,100	600,488,000	595,375,400	427,583,300	428,317,600
Farm Regular	28,001,500	27,898,000	27,881,900	28,542,600	28,508,300	28,169,600	29,908,200	29,659,700	21,344,100	20,818,200
Q Farm	2,142,034	2,082,644	2,078,833	2,082,234	2,082,219	2,079,945	2,104,673	2,101,410	2,020,900	1,934,500
Commercial	28,358,100	28,206,800	30,133,000	30,144,100	30,184,800	29,412,600	30,030,000	29,700,500	24,811,900	24,807,600
Industrial	3,947,300	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	3,861,200	2,413,500	2,413,500
Apartment	16,364,300	15,911,600	15,564,300	15,564,300	15,564,300	15,564,300	15,564,300	15,564,300	15,161,600	15,161,600
<b>Total Assessed Value</b>	<b>685,510,734</b>	<b>686,618,244</b>	<b>690,886,593</b>	<b>695,864,334</b>	<b>695,841,819</b>	<b>696,011,945</b>	<b>694,167,473</b>	<b>687,502,810</b>	<b>500,574,200</b>	<b>500,539,400</b>
Public Utilities (a)	1,520,954	1,453,766	1,480,132	1,409,604	1,497,259	1,388,202	1,341,402	593,543	406,852	-
<b>Net Valuation Taxable</b>	<b>\$ 687,031,688</b>	<b>\$ 688,072,010</b>	<b>\$ 692,366,725</b>	<b>\$ 697,273,938</b>	<b>\$ 697,339,078</b>	<b>\$ 697,400,147</b>	<b>\$ 695,508,875</b>	<b>\$ 688,096,353</b>	<b>\$ 500,981,052</b>	<b>\$ 500,539,400</b>
Estimated Actual County Equalized Value	\$ 655,984,406	\$ 728,072,001	\$ 762,110,820	\$ 749,193,014	\$ 707,455,694	\$ 678,772,090	\$ 652,835,980	\$ 602,188,582	\$ 535,923,248	\$ 558,887,226
Percentage of Net Valuation to Estimated Actual County Equalized Value	104.73%	94.51%	90.85%	93.07%	98.57%	102.74%	106.54%	114.27%	93.48%	89.56%
Regional School Tax Rate	\$ 1.04	\$ 1.08	\$ 1.07	\$ 1.07	\$ 1.10	\$ 1.12	\$ 1.15	\$ 1.20	\$ 1.70	\$ 1.79

Source: Municipal Tax Assessor

**NOTE** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment  
 (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

\* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF LIBERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 8,836,600	\$ 7,023,700	\$ 6,926,400	\$ 6,744,400	\$ 6,672,900	\$ 6,404,600	\$ 6,386,200	\$ 6,636,200	\$ 5,972,200	\$ 5,797,200
Residential	224,511,600	227,954,600	230,138,600	230,493,900	231,288,400	233,054,900	232,757,800	233,122,700	232,655,300	232,262,700
Farm Regular	22,482,800	23,316,700	24,366,400	25,210,800	25,701,500	24,828,600	24,664,000	23,682,700	23,423,800	23,456,100
Q Farm	742,000	729,400	722,800	715,100	739,200	703,600	703,600	679,200	679,500	660,400
Commercial	7,416,700	6,968,400	6,968,400	6,968,400	6,968,400	6,870,400	6,870,400	6,651,800	6,389,200	6,389,200
Apartment	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800	308,800
<b>Total Assessed Value</b>	<b>264,298,500</b>	<b>266,301,600</b>	<b>269,431,400</b>	<b>270,441,400</b>	<b>271,679,200</b>	<b>272,170,900</b>	<b>271,690,800</b>	<b>271,081,400</b>	<b>269,428,800</b>	<b>268,874,400</b>
Public Utilities (a)	777,448	753,971	578,357	472,662	625,559	719,815	801,174	-	-	-
<b>Net Valuation Taxable</b>	<b>\$ 265,075,948</b>	<b>\$ 267,055,571</b>	<b>\$ 270,009,757</b>	<b>\$ 270,914,062</b>	<b>\$ 272,304,759</b>	<b>\$ 272,890,715</b>	<b>\$ 272,491,974</b>	<b>\$ 271,081,400</b>	<b>\$ 269,428,800</b>	<b>\$ 268,874,400</b>
Estimated Actual County Equalized Value	\$ 317,185,246	\$ 345,148,619	\$ 377,814,149	\$ 367,437,456	\$ 346,003,505	\$ 329,896,900	\$ 312,061,354	\$ 282,759,362	\$ 264,846,948	\$ 256,902,733
Percentage of Net Valuation to Estimated Actual County Equalized Value	83.57%	77.37%	71.47%	73.73%	78.70%	82.72%	87.32%	95.87%	101.73%	104.66%
Regional School Tax Rate	\$ 1.61	\$ 1.74	\$ 1.67	\$ 1.71	\$ 1.73	\$ 1.79	\$ 1.79	\$ 1.80	\$ 1.83	\$ 1.80

Source: Municipal Tax Assessor

**NOTE** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment  
 (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

\* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF INDEPENDENCE  
 LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)  
 (UNAUDITED)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-8)		Municipality		County
			Direct School Tax Rate	Total			
2006	\$ 0.99	\$ 0.05	\$ 1.04	\$ 0.21	\$ 0.60	\$ 1.85	
2007	1.03	0.05	1.08	0.22	0.64	1.94	
2008	1.03	0.04	1.07	0.24	0.67	1.98	
2009	1.03	0.04	1.07	0.25	0.66	1.98	
2010	1.06	0.04	1.10	0.26	0.63	1.99	
2011	1.07	0.05	1.12	0.28	0.62	2.02	
2012	1.10	0.05	1.15	0.31	0.64	2.10	
2013	1.15	0.05	1.20	0.35	0.62	2.17	
2014	* 1.63	0.07	1.70	0.50	0.83	3.03	
2015	1.72	0.07	1.79	0.51	0.87	3.17	

Sources: Municipal Tax Collector

**NOTE:** NJSA 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 pre-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.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

\* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF LIBERTY  
 LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)  
 (UNAUDITED)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-9)	Municipality	County	
			Total Direct School Tax Rate			
2006	\$ 1.53	\$ 0.08	\$ 1.61	\$ 0.32	\$ 0.75	\$ 2.68
2007	1.66	0.08	1.74	0.32	0.79	2.85
2008	1.62	0.05	1.67	0.26	0.93	2.86
2009	1.65	0.06	1.71	0.32	0.85	2.88
2010	1.66	0.07	1.73	0.34	0.78	2.85
2011	1.71	0.08	1.79	0.34	0.77	2.90
2012	1.72	0.07	1.79	0.34	0.75	2.88
2013	1.73	0.07	1.80	0.34	0.75	2.89
2014	1.76	0.07	1.83	0.34	0.76	2.93
2015	1.73	0.07	1.80	0.33	0.75	2.88

Sources: Municipal Tax Collector

**NOTE:** NJSA 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 pre-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.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

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

\* Revalued/Reassessed

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF INDEPENDENCE  
 CURRENT YEAR AND NINE YEARS AGO  
 (UNAUDITED)

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Towpath Associates LLC	\$ 12,542,900	1	2.51%	\$ 12,900,000	1	1.88%
Extra Space Properties Eighty LLC	4,664,000	2	0.93%			
Axar Properties LLC C/O Cervelli	3,854,800	3	0.77%	4,124,000	3	0.60%
Liberty House Apartments, LLC	2,603,000	4	0.52%			
Saloga, LP	1,688,000	5	0.34%			
NUJA Realty Corp. C/O Di Carlo Jr	1,396,600	6	0.28%	1,849,100	4	0.27%
Individual Tax Payer #1	1,284,500	7	0.26%	1,623,431	5	0.24%
Individual Tax Payer #2	1,280,500	8	0.26%			
Individual Tax Payer #3	1,215,100	9	0.24%	1,483,354	6	0.22%
Great Northern Buck Hill LLC	1,029,100	10	0.21%			
RAIA Sel Storage Hackettstown LLC				5,068,300	2	0.74%
Individual Tax Payer #5				1,214,200	7	0.18%
Individual Tax Payer #8				1,109,000	8	0.16%
ABD Independence				1,024,400	9	0.15%
FPI LLC				938,200	10	0.14%
	<u>\$ 31,558,500</u>		<u>6.32%</u>	<u>\$ 31,333,985</u>		<u>4.58%</u>

Source: Municipal Tax Assessor

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 BY CONSTITUENT DISTRICT-TOWNSHIP OF LIBERTY  
 CURRENT YEAR AND EIGHT YEARS AGO  
 (UNAUDITED)

	2015			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 1,436,500	1	0.53%	\$ 1,603,900	1	0.61%
Wooded Valley Estates II LLC	1,187,200	2	0.44%	1,528,000	2	0.58%
Individual Property Owner #2	1,148,100	3	0.43%	1,113,300	3	0.42%
Topp Orange LLC	1,032,200	4	0.38%	1,027,600	4	0.39%
John E. Rogers Inc.	815,100	5	0.30%	815,000	6	0.31%
Individual Property Owner #3	711,500	6	0.26%			
Federal National Mortgage Association	662,100	7	0.25%			
Individual Property Owner #4	652,600	8	0.24%			
Individual Property Owner #5	650,600	9	0.24%			
Individual Property Owner #6	641,400	10	0.24%			
Individual Property Owner #7				1,023,800	5	0.39%
United Telephone Company of New Jersey				753,971	7	0.28%
Individual Property Owner #8				717,600	8	0.27%
Individual Property Owner #9				672,200	9	0.25%
Individual Property Owner #10				664,200	10	0.25%
	<u>\$ 8,937,300</u>		<u>3.31%</u>	<u>\$ 9,919,571</u>		<u>3.75%</u>

Source: Municipal Tax Assessor

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
BY CONSTITUENT DISTRICT-TOWNSHIP OF INDEPENDENCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 11,903,873	\$ 11,672,756	98.06%
2006	12,772,912	12,495,861	97.83%
2007	13,365,608	13,052,364	97.66%
2008	13,786,448	13,438,127	97.47%
2009	13,807,878	13,365,378	96.80%
2010	13,887,250	13,515,243	97.32%
2011	14,126,483	13,705,983	97.02%
2012	14,590,943	14,104,238	96.66%
2013	14,945,825	14,401,942	96.36%
2014	15,177,420	14,852,680	97.86%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a  
(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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
BY CONSTITUENT DISTRICT-TOWNSHIP OF LIBERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 6,797,541	\$ 6,388,483	93.98%
2006	7,189,320	6,784,131	94.36%
2007	7,722,621	7,343,868	95.10%
2008	7,753,729	7,302,646	94.18%
2009	7,921,724	7,535,575	95.13%
2010	7,763,076	7,440,263	95.84%
2011	7,921,724	7,535,575	95.13%
2012	7,860,671	7,559,089	96.16%
2013	7,827,459	7,526,183	96.15%
2014	7,889,096	7,580,741	96.09%

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

School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a  
(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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 8,700,000					\$ 8,700,000	2.65%	\$ 1,011
2007	8,320,000					8,320,000	2.38%	967
2008	7,900,000					7,900,000	2.14%	917
2009	7,665,000					7,665,000	2.02%	892
2010	7,365,000					7,365,000	1.95%	856
2011	7,015,000					7,015,000	1.87%	820
2012	6,600,000					6,600,000	1.69%	777
2013	6,160,000					6,160,000	1.52%	732
2014	5,695,000		\$ 581,789			6,276,789	1.52%	746
2015	5,215,000		3,131,789			8,346,789	N/A	992

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

(a) See Exhibit NJ J-21 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds	Deductions			
2006	\$ 8,700,000		\$ 8,700,000	0.91%	\$ 1,011
2007	8,320,000		8,320,000	0.87%	967
2008	7,900,000		7,900,000	0.82%	917
2009	7,665,000		7,665,000	0.79%	892
2010	7,365,000		7,365,000	0.76%	856
2011	7,015,000		7,015,000	0.72%	820
2012	6,600,000		6,600,000	0.68%	777
2013	6,160,000		6,160,000	0.64%	732
2014	5,695,000		5,695,000	0.74%	677
2015	5,215,000		5,215,000	0.68%	620

**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 J-21.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
BY CONSTITUENT DISTRICT-TOWNSHIP OF INDEPENDENCE  
AS OF DECEMBER 31, 2014  
(UNAUDITED)

GOVERNMENTAL UNIT	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	\$ 2,240,000	100.00	\$ 2,240,000
County General Obligation Debt	12,597,456	5.32	<u>670,558</u>
Subtotal, Overlapping Debt			2,910,558
School District Direct Debt	5,695,000	68.24	<u>3,886,375</u>
Total Direct and Overlapping Debt			<u>\$ 6,796,933</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages  
Provided by the County Board of Taxation. Debt Outstanding Data  
Provided by Each Governmental Unit.

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 the Municipality. 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
BY CONSTITUENT DISTRICT-TOWNSHIP OF LIBERTY  
AS OF DECEMBER 31, 2014  
(UNAUDITED)

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Municipality	\$ 9,784	100.00	\$ 9,784
County General Obligation Debt	12,597,456	2.48	<u>312,061</u>
Subtotal, Overlapping Debt			321,845
School District Direct Debt	5,695,000	31.76	<u>1,808,625</u>
Total Direct and Overlapping Debt			<u>\$ 2,130,470</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages  
          Provided by the County Board of Taxation. Debt Outstanding Data  
          Provided by Each Governmental Unit.

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 the Municipality. 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.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
	2014	\$ 816,358,531
	2013	834,843,476
	2012	890,821,924
		<u>\$ 2,542,023,931</u>
	Average Equalized Valuation of Taxable Property	<u>\$ 847,341,310</u>
	Debt Limit (4.0% of Average Equalization Value)	\$ 33,893,652 (a)
	Total Net Debt Applicable to Limit	<u>5,215,000</u>
	Legal Debt Margin	<u>\$ 28,678,652</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 33,661,045	\$ 38,082,775	\$ 41,996,647	\$ 43,988,944	\$ 43,780,841	\$ 42,167,472	\$ 40,268,871	\$ 38,151,891	\$ 35,874,463	\$ 33,893,652
Total Net Debt Applicable	8,700,000	8,320,000	7,900,000	7,665,000	7,365,000	7,015,000	6,600,000	6,160,000	5,695,000	5,215,000
Legal Debt Margin	<u>\$ 24,961,045</u>	<u>\$ 29,762,775</u>	<u>\$ 34,096,647</u>	<u>\$ 36,323,944</u>	<u>\$ 36,415,841</u>	<u>\$ 35,152,472</u>	<u>\$ 33,668,871</u>	<u>\$ 31,991,891</u>	<u>\$ 30,179,463</u>	<u>\$ 28,678,652</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.85%	21.85%	18.81%	17.42%	16.82%	16.64%	16.39%	16.15%	15.87%	15.39%

Source: Equalized Valuation Bases were Obtained from the Annual Report of the State of New Jersey.  
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

CONSTITUENT DISTRICT	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>SCHOOL DISTRICT POPULATION (a)</u>										
Township of Independence	5,691	5,678	5,696	5,682	5,657	5,624	5,582	5,543	5,541	5,541
Township of Liberty	2,917	2,922	2,923	2,911	2,942	2,929	2,908	2,877	2,869	2,869
	<u>8,608</u>	<u>8,600</u>	<u>8,619</u>	<u>8,593</u>	<u>8,599</u>	<u>8,553</u>	<u>8,490</u>	<u>8,420</u>	<u>8,410</u>	<u>8,410</u>
<u>PERSONAL INCOME (b)</u>										
Township of Independence	\$ 231,088,746	\$ 243,256,876	\$ 251,307,520	\$ 249,235,248	\$ 248,693,034	\$ 259,097,680	\$ 268,577,930	\$ 271,828,720	N/A	N/A
Township of Liberty	118,447,702	125,184,324	128,962,760	127,688,104	129,336,204	134,939,030	139,918,420	141,088,080	N/A	N/A
	<u>\$ 349,536,448</u>	<u>\$ 368,441,200</u>	<u>\$ 380,270,280</u>	<u>\$ 376,923,352</u>	<u>\$ 378,029,238</u>	<u>\$ 394,036,710</u>	<u>\$ 408,496,350</u>	<u>\$ 412,916,800</u>	<u>\$ -</u>	<u>\$ -</u>
<u>PER CAPITA PERSONAL INCOME</u>										
County of Warren	<u>\$ 40,606</u>	<u>\$ 42,842</u>	<u>\$ 44,120</u>	<u>\$ 43,864</u>	<u>\$ 43,962</u>	<u>\$ 46,070</u>	<u>\$ 48,115</u>	<u>\$ 49,040</u>	<u>N/A</u>	<u>N/A</u>
<u>UNEMPLOYMENT RATE (c)</u>										
Township of Independence	1.4%	1.3%	1.8%	3.3%	3.4%	3.1%	3.0%	5.6%	6.1%	N/A
Township of Liberty	4.8%	4.5%	5.9%	10.5%	10.8%	10.0%	9.7%	6.9%	6.3%	N/A

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon Municipal Population and Per Capita Income Presented for the County of Warren
- (c) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

GREAT MEADOWS REGIONAL 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	77.0	77.0	77.0	77.0	77.0	71.0	65.6	65.6	65.6	65.6
Special Education	21.0	23.0	23.0	23.0	23.0	20.0	17.6	17.6	17.6	14.6
Support Services:										
Student and Instruction Related Services	21.0	22.0	22.0	21.0	21.0	20.0	17.6	23.0	23.0	23.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Other Administration Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0	11.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
Total	<u>145.0</u>	<u>148.0</u>	<u>148.0</u>	<u>147.0</u>	<u>147.0</u>	<u>136.0</u>	<u>125.8</u>	<u>130.2</u>	<u>131.2</u>	<u>127.2</u>

Sources: District Personnel Records

N/A: Information not available

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	989	\$ 17,120,133	\$ 17,311	5.93%	80.5	3 to 12	989.0	983.0	-1.49%	99.39%
2007	1,018	17,916,446	17,600	1.67%	86.4	3 to 12	1,005.0	960.0	1.62%	95.52%
2008	956	18,858,941	19,727	12.09%	86.4	3 to 12	955.0	914.0	-4.98%	95.71%
2009	961	19,261,592	20,043	1.60%	86.4	1 to 11	951.0	912.0	-0.42%	95.90%
2010	962	19,474,202	20,243	1.00%	86.4	1 to 11	930.0	892.0	-2.21%	95.91%
2011	904	19,534,525	21,609	6.75%	81.0	1 to 11	888.0	847.0	-4.52%	95.38%
2012	873	19,439,749	22,268	3.05%	85.0	1 to 10	870.7	833.3	-1.95%	95.70%
2013	851	19,446,823	22,852	2.62%	85.0	1 to 10	846.1	809.9	-2.83%	95.72%
2014	811	19,647,235	24,226	6.01%	85.0	1 to 10	803.1	769.7	-5.08%	95.84%
2015	760	20,597,404	27,102	11.87%	85.0	1 to 10	754.9	723.8	-6.01%	95.89%

Source: District Records

( a ) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

( b ) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

( c ) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

DISTRICT BUILDING	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Elementary</u>										
Liberty School (1972):										
Square Feet	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769	44,769
Capacity (Students)	296	296	296	296	296	296	296	296	296	296
Enrollment	263	274	243	241	232	297	313	294	287	262
Central School (1918):										
Square Feet	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559	36,559
Capacity (Students)	438	438	438	438	438	438	438	438	438	438
Enrollment	382	377	390	393	396	277	247	233	229	200
<u>Middle</u>										
Great Meadows Middle School (1998)										
Square Feet	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488	64,488
Capacity (Students)	564	564	564	564	564	564	564	564	564	564
Enrollment	359	368	323	327	334	330	313	322	296	297
Number of Schools at June 30, 2015:										
Elementary	2									
Middle School	1									

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

	*School Facilities			Total
	Liberty Township School	Independence Central School	Great Meadows Middle School	
2006	\$ 36,390	\$ 53,024	\$ 59,114	\$ 148,528
2007	42,427	61,821	68,921	173,169
2008	49,394	71,974	80,240	201,608
2009	43,929	64,011	71,362	179,302
2010	46,866	68,290	76,133	191,289
2011	47,117	68,656	76,541	192,314
2012	64,003	56,370	93,334	213,707
2013	88,513	82,517	74,093	245,123
2014	58,306	51,767	111,719	221,792
2015	48,322	70,541	68,444	187,307
Total School Facilities	<u>\$ 525,267</u>	<u>\$ 648,971</u>	<u>\$ 779,901</u>	<u>\$ 1,954,139</u>

\* School Facilities as Defined Under EFCFA.  
 (NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-NJ Schools Insurance Group:		
Property Coverage's:		
Blanket Building and Contents (Fund Limit)	\$ 350,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	475,000	1,000
Liability Coverage's:		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefits Liability	11,000,000	1,000
Crime Coverage's:		
Blanket Employee Dishonesty	100,000	500
Forgery	50,000	500
Theft/Disappearance/Destruction:		
Inside the Premises	50,000	500
Outside the Premises	50,000	500
School Board Legal Liability-NJ Schools Insurance Group:		
Directors and Officers Policy	11,000,000	5,000
Workers Compensation-NJ Schools Insurance Group:		
Insurance Group:		
Employers Liability	5,000,000	
Environmental Impairment Liability:		
Incident Limit	1,000,000	10,000
Aggregate Limit	25,000,000	
Student Accident Insurance-Monarch Management Corporation:		
Maximum Benefit Limit	5,000,000	25,000
Public Employees' Faithful Performance-Selective Insurance:		
Treasurer of School Monies	205,000	
School Board Secretary/Business Administrator	35,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

December 3, 2015

Honorable President and  
Members of the Board of Education  
Great Meadows Regional School District  
County of Warren, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Great Meadows Regional School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated December 3, 2015.

### **Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

December 3, 2015

Honorable President and  
Members of the Board of Education  
Great Meadows Regional School District  
County of Warren, New Jersey

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

We have audited the Board of Education of the Great Meadows Regional School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The 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 the 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; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 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 the 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 the Board of Education's compliance.

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

In our opinion, the 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 The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the 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 and 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 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. Accordingly, this report is not suitable for any other purpose.

*William M. Colantano, Jr.*

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated December 3, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Unearned Revenue	Due to Grantor
US Departments of Education and Health & Human Services.													
General Fund:													
ARRA- Medical Assistance Program	93 778	ARRA- 178510	\$ 100	10/01/2008-12/31/2010	\$ -	\$ -	\$ 100	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
US Department of Education Passed Through State Department of Education.													
Special Revenue Fund:													
NCLB Title I	84 010A	NCLB- 178514	42,022	07/01/2013-06/30/2014	(10,506)	(2,065)	6,182				(6,389)		
NCLB Title I-Carryover	84 010A	NCLB- 178514	42,022	07/01/2014-06/30/2015		2,065		2,065					
NCLB Title I	84 010A	NCLB- 178515	43,784	07/01/2014-06/30/2015				43,784			(43,784)		
NCLB Title IIA	84.367A	NCLB- 178514	21,578	07/01/2013-06/30/2014	185	(2,115)	36		1,000		(894)		
NCLB Title IIA-Carryover	84.367A	NCLB- 178514	21,578	07/01/2014-06/30/2015		2,115		1,115				1,000	
NCLB Title IIA	84 367A	NCLB- 178515	21,579	07/01/2014-06/30/2015				21,358			(21,579)	221	
IDEA Basic	84 027	IDEA- 178514	264,707	07/01/2013-06/30/2014	(24,743)	(5,023)	41,266	11,500					
IDEA Basic-Carryover	84 027	IDEA- 178514	264,707	07/01/2014-06/30/2015		5,023		5,023					
IDEA Basic	84 027	IDEA- 178515	217,948	07/01/2014-06/30/2015			79,463	217,948			(138,485)		
IDEA Preschool	84 173	IDEA- 178514	5,609	07/01/2013-06/30/2014	(789)		789						
IDEA Preschool	84 173	IDEA- 178515	4,970	07/01/2014-06/30/2015				4,970			(4,970)		
<b>Total Special Revenue Fund</b>					<b>(35,853)</b>	<b>-</b>	<b>127,736</b>	<b>307,763</b>	<b>1,000</b>	<b>-</b>	<b>(216,101)</b>	<b>1,221</b>	<b>-</b>
US Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:													
Food Donation Program	10 555	N/A	18,212	07/01/2013-06/30/2014	1,701			1,701					
Food Donation Program	10 555	N/A	14,001	07/01/2014-06/30/2015			14,001	11,183				2,818	
National School Lunch Program	10 555	N/A	44,214	07/01/2013-06/30/2014	(2,545)		2,545						
National School Lunch Program	10 555	N/A	42,720	07/01/2014-06/30/2015			39,485	42,720			(3,235)		
<b>Total Enterprise Fund</b>					<b>(844)</b>	<b>-</b>	<b>56,031</b>	<b>55,604</b>	<b>-</b>	<b>-</b>	<b>(3,235)</b>	<b>2,818</b>	<b>-</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>					<b>\$ (36,697)</b>	<b>\$ -</b>	<b>\$ 183,867</b>	<b>\$ 363,467</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ (219,336)</b>	<b>\$ 4,039</b>	<b>\$ -</b>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2014			Budgetary Expenditure	Adjustment	Balance June 30, 2015			Memo		
				Unearned Revenue (Accts Rec.)	Due to Grantor	Cash Received			Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
<b>State Department of Education</b>														
General Fund:														
Equalization Aid	15-495-034	\$ 4,672,930	07/01/2014-											
	-5120-078		06/30/2015			\$ 4,672,930	\$ 4,672,930					\$ 455,003	\$ 4,672,930	
Categorical Special Education Aid	15-495-034	763,471	07/01/2014-											
	-5120-089		06/30/2015			763,471	763,471					74,339	763,471	
Categorical Transportation Aid	15-495-034	309,702	07/01/2014-											
	-5120-014		06/30/2015			309,702	309,702					30,156	309,702	
Categorical Security Aid	15-495-034	105,232	07/01/2014-											
	-5120-084		06/30/2015			105,232	105,232					10,246	105,232	
Adjustment Aid	15-495-034	32,369	07/01/2014-											
	-5120-085		06/30/2015			32,369	32,369					3,152	32,369	
Per Pupil Growth Aid	15-495-034	11,800	07/01/2014-											
	-5120-097		06/30/2015			11,800	11,800					1,149	11,800	
PARCC Readiness	15-495-034	11,800	07/01/2014-											
	-5120-098		06/30/2015			11,800	11,800					1,149	11,800	
Extraordinary Special Education Costs Aid	14-100-034	53,889	07/01/2013-											
	-5120-473		06/30/2014	\$ (53,332)		53,889	557						53,889	
Extraordinary Special Education Costs Aid	15-100-034	56,437	07/01/2014-											
	-5120-473		06/30/2015				56,437			\$ (56,437)			56,437	
Non-Public Remote Transportation Aid	14-495-034	26,746	07/01/2013-											
	-5120-014		06/30/2014	(26,746)		26,746							26,746	
Non-Public Remote Transportation Aid	15-495-034	17,780	07/01/2014-											
	-5120-014		06/30/2015				17,780			(17,780)			17,780	
Reimbursed TPAF Social Security Contribution	14-495-034	425,041	07/01/2013-											
	-5095-002		06/30/2014	(41,906)		41,347		\$ 559					425,041	
Reimbursed TPAF Social Security Contribution	15-495-034	398,549	07/01/2014-											
	-5094-003		06/30/2015			359,653	398,549			(38,896)			398,549	
On-Behalf TPAF Pension Contribution-Post Retirement Medical	15-495-034	502,687	07/01/2014-											
	-5094-001		06/30/2015			502,687	502,687						502,687	
On-Behalf TPAF Pension Contribution-Non Contributory Group Insurance	15-495-034	21,253	07/01/2014-											
	-5094-007		06/30/2015			21,253	21,253						21,253	
On-Behalf TPAF Pension Contribution-Normal Cost and Accrued Liability	15-495-034	295,399	07/01/2014-											
	-5094-006		06/30/2015			295,399	295,399						295,399	
<b>Total General Fund</b>				<u>(121,984)</u>	<u>\$ -</u>	<u>7,208,278</u>	<u>7,199,966</u>	<u>559</u>	<u>(113,113)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>575,194</u>	<u>7,705,085</u>	
<b>NJ School Development Authority</b>														
Capital Projects Fund:														
Security Upgrades at the Great Meadows Regional Middle School	1785-040	27,456	07/01/2014-											
	-14-1001		06/30/2016							(27,456)	27,456			
Partial Window Replacement and Security Upgrades at Central Elementary School	1785-050	89,245	07/01/2014-											
	-14-1002		06/30/2016							(89,245)	89,245			
Partial Roof Replacement and Security Upgrades at Liberty Elementary School	1785-060	271,158	07/01/2014-											
	-14-1003		06/30/2016							(271,158)	271,158			
<b>Total Capital Projects Fund</b>				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,859)</u>	<u>387,859</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Service Fund:														
Debt Service Aid-State Support	15-495-034	184,348	07/01/2014-											
	-5120-075		06/30/2015			184,348	184,348							184,348
<b>State Department of Agriculture</b>														
Enterprise Fund:														
State School Lunch Program	14-100-010	2,392	07/01/2013-											
	-3350-023		06/30/2014	(266)		266								2,392
State School Lunch Program	15-100-010	2,188	07/01/2014-											
	-3350-023		06/30/2015			1,961	2,188			(227)				2,188
<b>Total Enterprise Fund</b>				<u>(266)</u>	<u>-</u>	<u>2,227</u>	<u>2,188</u>	<u>-</u>	<u>(227)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,580</u>	
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ (122,250)</u>	<u>\$ -</u>	<u>\$ 7,394,853</u>	<u>\$ 7,386,502</u>	<u>\$ 559</u>	<u>\$ (501,199)</u>	<u>\$ 387,859</u>	<u>\$ -</u>	<u>\$ 575,194</u>	<u>\$ 7,894,013</u>	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Great Meadows Regional School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using 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 Notes 1 (C) and 1 (D) to the Board's general-purpose financial statements.

**NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,665 for the general fund and, (\$13,073) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 100	\$ 7,210,631	\$ 7,210,731
Special Revenue Fund	\$ 9,594	294,690		304,284
Debt Service Fund			184,348	184,348
Food Service Fund		<u>55,604</u>	<u>2,188</u>	<u>57,792</u>
	<u>\$ 9,594</u>	<u>\$ 350,394</u>	<u>\$ 7,397,167</u>	<u>\$ 7,757,155</u>

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015  
(Continued)

**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 USDA Commodities Program represent 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 Contribution 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. DETAIL OF ADJUSTMENTS ON SCHEDULE K-3**

1. NCLB Title IIA: Adjustment of \$1,000 represents a canceled prior year encumbrance that was carried over into the next fiscal year.

**NOTE 7. DETAIL OF ADJUSTMENTS ON SCHEDULE K-4**

1. Reimbursed Social Security Contribution: Adjustment of \$559 represents an adjustment to the accounts receivable balance as of June 30, 2014.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified?            Yes   X   No

2. Reportable conditions identified that are not considered to be material weaknesses?            Yes   X   No

Noncompliance Material to General Purpose Financial Statements Noted?            Yes   X   No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified?            Yes            No

2. Reportable conditions identified that are not considered to be material weaknesses?            Yes            No

Type of Auditor's Report Issued on Compliance for Major Programs?           NOT APPLICABLE          

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133            Yes            No

Identification of Major Programs:

           CFDA Numbers            Amount            Name of Federal Program           

NOT APPLICABLE

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \_\_\_\_\_

Auditee qualified as a low-risk auditee        Yes        No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:       \$300,000      

Auditee Qualified as low-risk auditee       X       Yes        No

Type of Auditor's Report Issued on Compliance  
for Major Programs:       Unmodified      

Internal Control Over Major Programs:  
1. Material weakness(es) identified?        Yes       X       No  
2. Reportable conditions identified  
that are not considered to be material  
weaknesses?        Yes       X       No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 15-08?        Yes       X       No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-014	\$ 309,702	Categorical Transportation Aid
15-495-034-5120-075	184,348	Debt Service Aid-State Support
15-495-034-5120-078	4,672,930	Equalization Aid
15-495-034-5120-084	105,232	Categorical Security Aid
15-495-034-5120-089	763,471	Categorical Special Education Aid

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

GREAT MEADOWS REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.