

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
SOUTH RIVER BOROUGH BOARD OF EDUCATION**

**15 Montgomery Street
South River, New Jersey 08882**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE
SOUTH RIVER BOROUGH BOARD OF EDUCATION**

**15 Montgomery Street
South River, New Jersey 08882**

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by

**Borough of South River Board of Education
Kenneth J. Kokoszka
Board Secretary/Business Administrator**

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	8-10
------------------------------------	------

Required Supplementary Information – Part I

Management's Discussion and Analysis	11-20
--	-------

Basic Financial Statements

A. District-wide Financial Statements:

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	24
B-3 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds:

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses and Change in Fund Net Position	27
B-6 Statement of Cash Flows	28

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Change in Fiduciary Net Position	30

Notes to the Financial Statements	31-76
--	--------------

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Required Supplementary Information – Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule – General Fund	77-86
C-2	Budgetary Comparison Schedule – Special Revenue Fund.....	87

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	88
-----	-------------------------------------	----

Required Supplementary Information – Part III

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

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability	89
L-2	Schedule of District Contributions – PERS	90
L-3	Schedule of District's Proportionate Share of the Net Pension Liability – TPAF	91

	Notes to the Required Supplementary Information – Part III	92
--	--	----

Other Supplementary Information

D. School Level Schedules:

D-1	Combining Balance Sheet.....	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual.....	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual.....	N/A

E. Special Revenue Fund:

E-1	Combining Schedule of Revenues and Expenditures - Special Revenue Fund – Budgetary Basis.....	93-96
-----	--	-------

F. Capital Projects Fund:

F-1	Summary Schedule of Project Expenditures	97
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	98
F-2a/ 2t	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis.....	99-118

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Other Supplementary Information (Continued)

H.	Fiduciary Funds:	
H-1	Payroll Agency Fund Schedule of Receipts and Disbursements.....	119
H-2	Private Purpose Scholarship Fund Schedule of Receipts and Disbursements	120
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds.....	121
I-2	Schedule of Obligations Under Capital Leases	122
I-3	Debt Service Fund Budgetary Comparison Schedule	123

STATISTICAL TABLES (SECTION) (Unaudited)

J	Introduction to Statistical Section	124
Financial Trends:		
J-1	Net Position by Component	125
J-2	Changes in Net Position.....	126-127
J-3	Fund Balances, Governmental Funds.....	128
J-4	Changes in Fund Balances, Governmental Funds	129-130
J-5	General Fund Other Local Revenue by Source.....	131
Revenue Capacity:		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	132
J-7	Direct and Overlapping Property Tax Rates	133
J-8	Principal Property Taxpayers	134
J-9	School Tax Levies and Collections	135
Debt Capacity:		
J-10	Ratios of Outstanding Debt by Type	136
J-11	Ratios of Net General Bonded Debt Outstanding	137
J-12	Direct and Overlapping Governmental Activities Debt.....	138
J-13	Legal Debt Margin Information.....	139
Demographic and Economic Information:		
J-14	Demographic and Economic Statistics.....	140
J-15	Principal Employers.....	141
Operating Information:		
J-16	Full-time Equivalent District Employees by Function/Program	142
J-17	Operating Statistics	143
J-18	School Building Information	144
J-19	Schedule of Required Maintenance for School Facilities	145
J-20	Insurance Schedule	146-147

TABLE OF CONTENTS (CONTINUED)

Page

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	148-149
K-2	Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance	150-152
K-3	Schedule of Expenditures of Federal Awards, Schedule A	153-154
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	155-157
K-5	Notes to the Schedules of Awards and Financial Assistance	158-159
K-6	Schedule of Findings and Questioned Costs	160-161
K-7	Summary Schedule of Prior Audit Findings	162

INTRODUCTORY SECTION

South River Board of Education

15 Montgomery Street, South River NJ 08882

December 8, 2015

Honorable President and Members
of the Board of Education
South River School District
South River, NJ 08882

Dear Board Members:

The comprehensive annual financial report of the South River School District (the "District") for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the South River Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 tables and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical tables section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditors' 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:** The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The South River Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for disabled youngsters. The District completed the 2015 fiscal year with an enrollment of 2,277 students, which is 46 students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

<u>Fiscal Year Ending June 30,</u>	<u>Student Enrollment</u>	<u>Percent Increase/(Decrease)</u>
2015	2,277	(2.0%)
2014	2,323	(0.3%)
2013	2,329	0.4%
2012	2,319	(0.7%)
2011	2,336	(0.3%)
2010	2,343	3.5%
2009	2,264	4.1%

2. **ECONOMIC CONDITION AND OUTLOOK:** South River is a community that has little to no ratables to establish a firm tax base to support its education program. There is an attempt to revitalize the downtown district and there are several new housing developments that have been approved and will add not only to the tax base but, more importantly, to the educational costs. The town receives funds as a result of a shared Host Community Benefits program for the Edgeboro Landfill. Land available for additional industrial development is not plentiful.

3. **MAJOR INITIATIVES:** South River Public Schools have continued to provide Internet access parent link to every student in the District to enhance our ability to utilize distance learning activities with our students and their parents.

Our scholastic aptitude tests continue to meet state averages, with the mean SAT writing score of 456 and the mean SAT math score of 479 and critical reading 460. Eighty-six percent (86%) of our 2015 graduates went on to further education; forty-two percent (42%) of them to four-year institutions.

Moreover, we continue to attempt to maintain our class size at a reasonable level and have every student use technology as an educational tool.

Finally, we continue to provide new programs or have enhanced our existing programs that tie into the State Contents Standards established by the New Jersey Department of Education and to assist in No Child Left Behind.

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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District 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's management.

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. These amounts to be reappropriated 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 as explained in the "Notes to the Financial Statements", Note 2.
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. 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. 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.
8. **DEBT ADMINISTRATION:** The School District had outstanding debt as of June 30, 2015 of \$13,042,000. The remaining annual maturity schedule for principal as well as annual interest payments are detailed in the "Notes to Financial Statements", Note 8.
9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
10. **OTHER INFORMATION:**

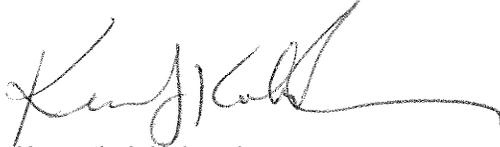
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, Certified Public Accountants, was selected by the Board's Finance Committee. In 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 1984 and the related Federal OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' 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 South River 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,

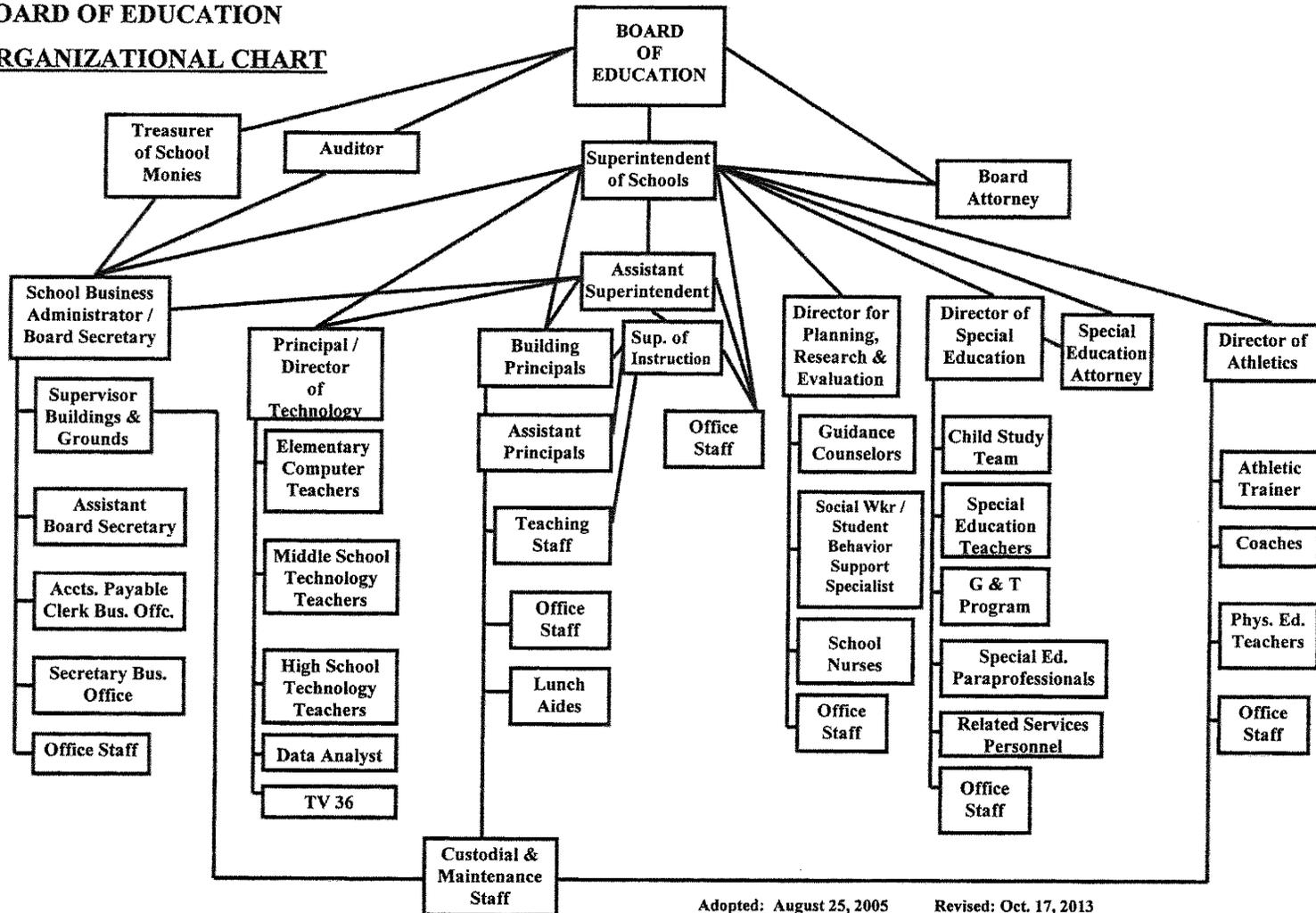


Michael J. Pfister
Superintendent of Schools



Kenneth J. Kokoszka
School Business Administrator/Board Secretary

**SOUTH RIVER
BOARD OF EDUCATION
ORGANIZATIONAL CHART**



- 5 -

Adopted: August 25, 2005
 Revised: Oct. 17, 2006
 Revised: Sept. 5, 2007
 Revised: Aug. 26, 2010
 Revised: Sept. 22, 2011
 Revised: Sept. 27, 2012

Revised: Oct. 17, 2013
 Readopted: Oct. 23, 2014
 Revised: Sept. 21, 2015
 Readopted: Sept. 24, 2015

SOUTH RIVER BOROUGH BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Regis Wyluda, President	2017
Cynthia Urbanik, Vice President	2016
Kelly Cruz	2015
Elizabeth Lell	2015
Kevin Nielsen.	2016
Anthony Razzano	2017
Renae Bush	2015
John Budzin	2016
Edward Andre	2017

Other Officials

Michael Pfister, Superintendent of Schools

Kenneth J. Kokoszka, Board Secretary/School Business Administrator

Joseph Zanga, Treasurer

SOUTH RIVER BOROUGH BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2015

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA, PSA
of the firm
Samuel Klein and Company
36 West Main Street
Suite 303
Freehold, New Jersey 07728

ATTORNEY

Christopher Parton, Esq.
of the firm
Kenny, Gross, Kovats & Parton
130 Maple Avenue
Building 8
PO Box 8610
Red Bank, NJ 07701

OFFICIAL DEPOSITORIES

PNC Bank
55 Main Street
South River, New Jersey 08882

FINANCIAL SECTION

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
South River Borough Board of Education
County of Middlesex, New Jersey

Report on the Financial Statement

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 South River Borough School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the South River Borough School 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 Discussion and Analysis and Budgetary Comparison Information 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South River Borough School District's basic financial statements. The accompanying supplementary information, which consists of the combining and individual fund financial statements, noncurrent (long-term) debt schedules and schedules of expenditures of federal awards and state financial assistance, as required by the US. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(CONTINUED)

The supplementary information identified above 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

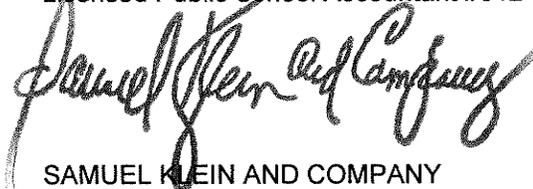
The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015, on our consideration of the Board of Education of the South River Borough School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 South River Borough School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 8, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

South River Board of Education

15 Montgomery Street, South River NJ 08882

December 8, 2015

Honorable President and Members
of the Board of Education
South River School District
South River, NJ 08882

Dear Board Members:

Management's Discussion and Analysis

The discussion and analysis of South River School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the 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 District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

In total, net position totaled \$22,960,435 which represents a \$1,650,004 or 7.74% increase from 2014 net position as adjusted, which is attributed to a higher level of revenues and a decrease in expenditures.

General revenues accounted for \$35,669,153 or 92.69% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$2,812,681 or 7.31% of total revenues of \$38,481,834.

Total position of governmental activities increased by \$1,592,575 as cash and cash equivalents increased by \$3,188,513, receivables decreased by \$96,337 and liabilities increased by \$215,776.

The District had \$36,871,966 in expenses; only \$2,812,681 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of \$35,669,153 were adequate to provide for these programs.

Among major funds, the General Fund had \$30,534,186 in revenues and \$30,231,538 in expenditures. The General Fund's fund balance increased \$532,274 over 2014, which was caused by an increase in operating revenues. The General Fund's fund balance is \$1,678,482 inclusive of the Capital Reserve Fund balance of \$70,477.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the South River School District, the General Fund is by far the most significant.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2015". The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

Governmental activities — All of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities — This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 20. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund and Capital Projects Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The District as a Whole

The Comparative Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 – Comparative Statement of Net Position

	<u>2015</u>	<u>2014</u>
Assets		
Current and Other Assets	\$ 5,983,771	\$ 2,834,499
Capital Assets, Net	<u>37,754,626</u>	<u>38,676,871</u>
Total Assets, Net	<u>\$ 43,738,397</u>	<u>\$ 41,511,370</u>
Deferred Outflows of Resources		
Loss on Defeasance of Bonds	\$ 90,736	
Pension	<u>340,042</u>	<u>\$ 102,078</u>
	<u>\$ 430,778</u>	<u>\$ 102,078</u>
Liabilities		
Noncurrent Liabilities	\$ 18,752,958	\$ 13,436,957
Other Liabilities	<u>1,930,651</u>	<u>1,716,842</u>
Total Liabilities	<u>\$ 20,683,609</u>	<u>\$ 15,153,799</u>
Deferred Inflow of Resources		
Pension	<u>\$ 525,132</u>	
Net Position		
Invested in Capital Assets	\$ 23,605,243	\$ 25,789,993
Restricted	2,437,798	
Unrestricted	<u>(3,082,607)</u>	<u>669,656</u>
Total Net Position	<u>\$ 22,960,434</u>	<u>\$ 26,459,649</u>

The District's combined net position was \$22,960,434 on June 30, 2015. This is an increase of \$1,605,238, or 7.56% from the previous year as adjusted.

* Due to required (GASB 68 *Accounting and Financial Reporting for Pension Liabilities*) adjustments to revenues and expenses for certain pension related obligations, the presentation for 2014-2015 is not comparable 2013-2014.

Table 2 – Comparative Statement of Changes in Net Position

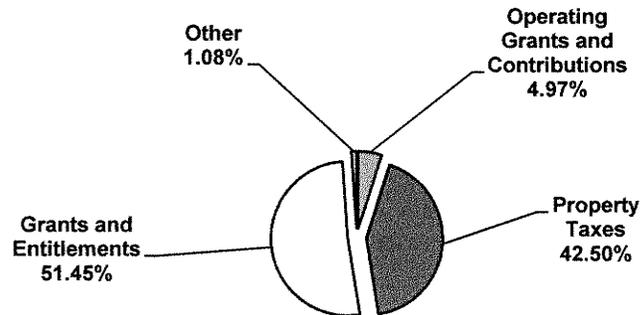
	2014-2015	2013-2014	Change	
			Amount	Percent
Revenues:				
Program Revenues:				
Charges for Services	\$ 378,448	\$ 381,611	\$ (3,163)	-0.83%
Operating Grants and Contributions	2,434,234	2,441,198	(6,964)	-0.29%
General Revenues:				
Property Taxes	15,971,549	15,373,187	598,362	3.89%
Grants and Entitlements	19,334,056	15,685,599	3,648,457	23.26%
Other	403,683	41,333	362,350	876.66%
Total Revenues	\$ 38,521,970	\$ 33,922,928	\$ 4,599,042	13.56%
Program Expense:				
Instruction	\$ 19,331,084	\$ 17,297,747	\$ 2,033,337	11.75%
Support Services:				
Pupils and Instructional Staff	4,536,243	3,844,588	691,655	17.99%
Tuition	1,390,316	1,459,294	(68,978)	-4.73%
General Administration	1,620,069	1,429,557	190,512	13.33%
School Administration	1,963,236	1,707,109	256,127	15.00%
Operation and Maintenance of Facilities	4,482,944	3,788,275	694,669	18.34%
Pupil Transportation	2,017,717	1,887,978	129,739	6.87%
Transfer to Charter Schools	198,091	160,833	37,258	23.17%
Debt Service	447,051	513,367	(66,316)	-12.92%
Food Service	885,215	874,188	11,027	1.26%
Total Expense	\$ 36,871,966	\$ 32,962,936	\$ 3,909,030	11.86%
Increase/(Decrease) in Net Position	1,650,004	959,992	690,012	71.88%
Beginning Net Position	\$ 26,459,648	\$ 25,499,656		
Prior Year Adjustment:				
Pension Liability and Bond Premium	(5,149,217)			
Adjusted Beginning Net Position	21,310,431			
Ending Net Position	\$ 22,960,435	\$ 26,459,648		

Note: Due to required (GASB 68 Accounting and Financial Reporting for Pension Liabilities) adjustments to revenues and expenses for certain pension related obligations, the presentation for 2014-2015 is not comparable to 2013-2014.

Governmental Activities

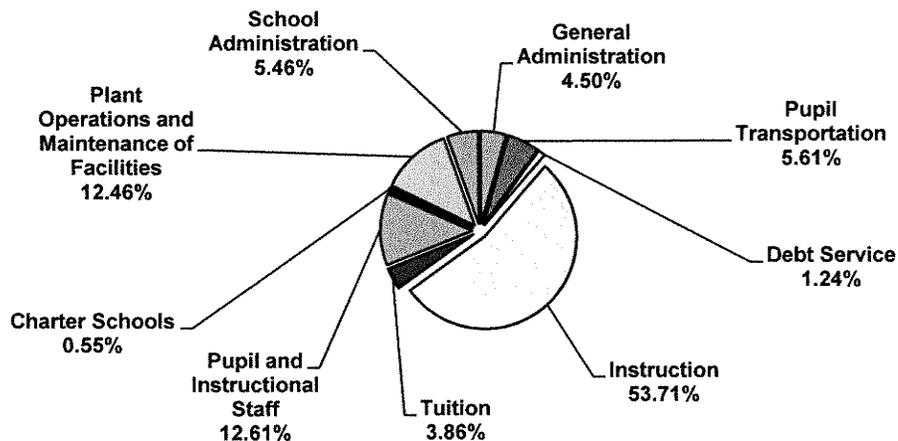
Revenue for Fiscal Year 2015

The total revenues of the governmental activities for the year ended June 30, 2015 were \$37,579,326. Property taxes as approved by the voters of the Borough of South River made up \$15,971,549 or 42.50% of revenues for governmental activities for the fiscal year 2014. Federal, state and local grants accounted for \$19,334,056, another 51.45%.



Expenses for Fiscal Year 2015

The total cost of all programs and services was \$35,986,751. Instruction comprises 53.71% of the District's expenses.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$57,429 charges for services represent \$378,448 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals including payments for free and reduced lunches and donated commodities was \$566,508.

Governmental Activities

The Comparative 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. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2014-2015	2013-2014	% Change	2014-2015	2013-2014	% Change
Instruction	\$ 19,331,084	\$ 17,297,747	11.75%	\$ 18,244,476	\$ 16,127,442	13.13%
Support Services:						
Pupils and Instructional Staff	4,536,243	3,844,588	17.99%	4,138,601	3,479,922	18.93%
Tuition	1,390,316	1,459,294	-4.73%	1,390,316	1,459,294	-4.73%
General Administration	1,620,069	1,429,557	13.33%	1,620,069	1,429,557	13.33%
School Administration	1,963,236	1,707,109	15.00%	1,963,236	1,707,109	15.00%
Operations & Maintenance of Facilities	4,482,944	3,788,275	18.34%	4,482,944	3,788,275	18.34%
Pupil Transportation	2,017,717	1,887,978	6.87%	2,017,717	1,877,978	7.44%
Debt Service	447,051	513,367	-12.92%	63,575	112,013	-43.24%
Transfer to Charter School	198,091	160,833	23.17%	198,091	160,833	23.17%
Total Expenses	\$ 35,986,751	\$ 32,088,748		\$ 34,119,025	\$ 30,142,423	

* Not intended to be comparable due to pension expense not reflected in prior years.

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

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

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

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

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

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

The District's Funds

Information about the District's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds, except for capital projects, had total revenues of \$34,372,963 and expenditures of \$34,076,955.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the governmental funds exclusive of the capital projects fund for the fiscal year ended June 30, 2015, and the amount of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

<u>Revenue</u>	<u>2014-2015</u>		<u>2013-2014</u>		<u>Increase/ (Decrease) from 2013-2014 to 2014-2015</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 16,334,340	47.52%	\$ 15,597,417	47.22%	\$ 736,923
State Sources	16,407,002	47.73%	15,920,661	48.20%	486,341
Federal Sources	1,631,621	4.75%	1,509,808	4.58%	121,813
	<u>\$ 34,372,963</u>	<u>100.00%</u>	<u>\$ 33,027,886</u>	<u>100.00%</u>	<u>\$ 1,345,077</u>

The increase in Local Sources is attributed to an increase in taxes.

The increase in State Sources is attributed to an increase in general fund state aid.

The decrease in Federal Sources is caused by the fact that more funding was provided in 2015.

The following schedule presents a comparative summary of governmental fund expenditures exclusive of the capital projects fund for the fiscal year ended June 30, 2015, and the amount of increases and decreases in relation to prior year expenditures.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2014-2015</u>		<u>2013-2014</u>		<u>Increase/ (Decrease) from 2013-2014 to 2014-2015</u>
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Instruction	\$ 13,078,468	38.38%	\$ 13,034,832	39.18%	\$ 43,636
Undistributed Expenditures	18,233,905	53.51%	17,461,448	52.48%	772,457
Capital Outlay	417,957	1.23%	377,449	1.13%	40,508
Debt Service	2,346,625	6.88%	2,398,425	7.21%	(51,800)
	<u>\$ 34,076,955</u>	<u>100.00%</u>	<u>\$ 33,272,154</u>	<u>100.00%</u>	<u>\$ 804,801</u>

The increase in Current – Instruction is attributed to the increased costs of salaries for teachers and the increased costs of other instructional programs and supplies.

The increase in Undistributed Expenditures relates to increases in special education tuition and health benefits and other employee benefits.

The increase in capital outlay is primarily due to a budgeted increase from the prior year.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2015, the District amended its general fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administrator, Superintendent and Board of Education. Transfers were necessitated during the year were not significant in consideration of specific line items; however, a provision for unemployment was made for pending reduction of staff and retirement sick pay.

While the District final budget for the general fund anticipated that revenues and expenditures would roughly equal, the actual results for the year shows a surplus increase of \$523,274 caused primarily by an increase in expenses.

At the end of the fiscal year 2015, the District had \$53,695,658 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

**Table 4 - Capital Assets at June 30
(Net of Accumulated Depreciation)**

	<u>2015</u>	<u>2014</u>
Buildings	\$ 35,760,960	\$ 37,011,376
Site Improvements	960,279	1,000,013
Machinery and Equipment	547,158	349,504
Construction in Progress	<u>180,977</u>	<u> </u>
Totals	<u>\$ 37,449,374</u>	<u>\$ 38,360,893</u>

Overall capital assets decreased from fiscal year 2014 to fiscal year 2015. Decreases in capital assets, net (primarily buildings and improvements, machinery and equipment) were attributable to a revaluation of capital assets and a change in the capital asset software tracking program.

For the Future

The District is sufficiently funded to meet the educational and capital requirements. Over the past few years, the District has repeated the practice of designating fund balance to offset tax increases in spite of reduction of state aid. In the past, this has been a viable option to soften the burden of reduced state aid revenue.

The primary concern the District faces is the Borough of South River's inability to increase the tax base. The town is primarily residential with very few commercial ratables; thus the burden of taxes levied by the District falls squarely on the homeowners.

The Borough's tax base remains relatively flat and in light of the fact the town is at full build (which means there is no space available for future development which would increase the ratable base), the probability of significant tax increase on the average homeowner next year is very likely. Additionally, the cost of four major bond issues \$18.9 million in 1996, \$6.1 million in 2003, \$7.05 million in 2012 and \$2.4 million in 2015, cost the District nearly \$2.3 million per year for debt service.

In December of 2015, \$18.9 million bond will be paid in full. As a result of a 2012 storm, the town has lost approximately \$7 million in tax ratables.

In closing, the District's Board of Education practices long term financial planning. The District is proud of its system for budgeting and internal financial controls. Moreover, the Administration is determined to address the educational needs of the students while delivering a responsible budget to the taxpayers.

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 District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Kenneth J. Kokoszka, School Business Administrator/Board Secretary at the South River Board of Education, 15 Montgomery Street, South River, NJ 08882.

Respectfully submitted,



Michael J. Pfister
Superintendent of Schools



Kenneth J. Kokoszka
Board Secretary/School Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,487,661.57	\$ 144,946.24	\$ 2,632,607.81
Receivables - Net	794,850.47	108,000.12	902,850.59
Interfund Receivable	759.80		759.80
Inventory		9,755.57	9,755.57
Restricted Assets:			
Capital Reserve Account	2,437,797.66		2,437,797.66
Capital Assets, Net	<u>37,449,373.91</u>	<u>305,252.31</u>	<u>37,754,626.22</u>
Total Assets	<u>\$ 43,170,443.41</u>	<u>\$ 567,954.24</u>	<u>\$ 43,738,397.65</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Loss on Defeasance of Debt Pension	\$ 90,735.63 <u>340,042.00</u>		\$ 90,735.63 <u>340,042.00</u>
	<u>430,777.63</u>		<u>430,777.63</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,798,336.41	\$ 92,663.04	\$ 1,890,999.45
Intergovernmental Accounts Payable	2,909.00		2,909.00
Unearned Revenue	32.94		32.94
Accrued Interest on Noncurrent Debt	36,709.79		36,709.79
Noncurrent Liabilities:			
Due Within One Year	2,056,727.62	58,259.10	2,114,986.72
Due Beyond One Year	<u>16,518,800.09</u>	<u>119,170.76</u>	<u>16,637,970.85</u>
Total Liabilities	<u>\$ 20,413,515.85</u>	<u>\$ 270,092.90</u>	<u>\$ 20,683,608.75</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension	<u>\$ 525,132.00</u>		<u>\$ 525,132.00</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 23,477,420.83	\$ 127,822.45	\$ 23,605,243.28
Restricted for:			
Other Purposes	2,437,797.66		2,437,797.66
Unrestricted (Deficit)	<u>(3,252,645.30)</u>	<u>170,038.89</u>	<u>(3,082,606.41)</u>
Total Net Position	<u>\$ 22,662,573.19</u>	<u>\$ 297,861.34</u>	<u>\$ 22,960,434.53</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 13,420,550.38		\$ 1,086,607.71	\$ (12,333,942.67)		\$ (12,333,942.67)
Special Education	4,455,953.29			(4,455,953.29)		(4,455,953.29)
Other Special Instruction	532,647.57			(532,647.57)		(532,647.57)
Other Instruction	921,933.67			(921,933.67)		(921,933.67)
Support Services:						
Tuition	1,390,315.82			(1,390,315.82)		(1,390,315.82)
Student and Instruction Related Services	4,536,243.33		397,642.35	(4,138,600.98)		(4,138,600.98)
General Administrative Services	1,620,068.90			(1,620,068.90)		(1,620,068.90)
School Administrative Services	1,963,235.71			(1,963,235.71)		(1,963,235.71)
Plant Operations and Maintenance	4,482,943.55			(4,482,943.55)		(4,482,943.55)
Pupil Transportation	2,017,717.12			(2,017,717.12)		(2,017,717.12)
Transfer to Charter Schools	198,091.00			(198,091.00)		(198,091.00)
Interest on Noncurrent Debt	447,050.68		383,476.00	(63,574.68)		(63,574.68)
Total Governmental Activities	\$ 35,986,751.02		\$ 1,867,726.06	\$ (34,119,024.96)		\$ (34,119,024.96)
Business-Type Activities:						
Food Service	\$ 885,215.35	\$ 378,447.51	\$ 566,507.71		\$ 59,739.87	\$ 59,739.87
Total Primary Government	\$ 36,871,966.37	\$ 378,447.51	\$ 2,434,233.77	\$ (34,119,024.96)	\$ 59,739.87	\$ (34,059,285.09)
General Revenues						
Taxes:						
General Purposes				\$ 14,015,039.00		\$ 14,015,039.00
Debt Service				1,956,510.00		1,956,510.00
Federal and State Aid Not Restricted				19,334,056.43		19,334,056.43
Tuition Received				37,155.50		37,155.50
Miscellaneous Income				326,391.78		326,391.78
Total General Revenues				\$ 35,669,152.71		\$ 35,669,152.71
Excess				1,550,127.75	59,739.87	1,609,867.62
Special and Extraordinary Items, Net				42,447.18	(2,311.16)	40,136.02
Change in Net Position				\$ 1,592,574.93	\$ 57,428.71	\$ 1,650,003.64
Net Position - Beginning (as Adjusted)				\$ 21,069,998.26	\$ 240,432.63	\$ 21,310,430.89
Net Position - Ending				\$ 22,662,573.19	\$ 297,861.34	\$ 22,960,434.53

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,447,825.11	\$ 38,836.20	\$ 2,367,321.02	\$ 1,000.26	\$ 4,854,982.59
Intergovernmental Accounts Receivable	397,384.09	277,010.32	2,788,777.58		3,463,171.99
Accounts Receivable	4,698.64				4,698.64
Interfunds Receivable	143,797.20		853.09	70,328.55	214,978.84
Restricted Cash and Cash Equivalents	<u>70,476.64</u>				<u>70,476.64</u>
Total Assets	\$ <u>3,064,181.68</u>	\$ <u>315,846.52</u>	\$ <u>5,156,951.69</u>	\$ <u>71,328.81</u>	\$ <u>8,608,308.70</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 1,385,699.35	\$ 169,640.82	\$ 44,862.24		\$ 1,600,202.41
Interfunds Payable		143,263.76	70,955.28		214,219.04
Intergovernmental Accounts Payable		2,909.00			2,909.00
Unearned Revenue		<u>32.94</u>			<u>32.94</u>
Total Liabilities	\$ <u>1,385,699.35</u>	\$ <u>315,846.52</u>	\$ <u>115,817.52</u>		\$ <u>1,817,363.39</u>
Fund Balances:					
Reserve for Encumbrances			\$ 2,424,950.45		\$ 2,424,950.45
Restricted-Capital Reserve Account	\$ 70,476.64				70,476.64
Excess Surplus - Designated for Subsequent Year's Expenditures	226,724.90				226,724.90
Restricted - Reserve for Excess Surplus Assigned - Designated for Subsequent Year's Expenditures	141,707.74				141,707.74
Assigned - ARRA/SEMI - Designated for Subsequent Year's Expenditures	1,223,275.10		2,616,183.72	\$ 38,743.00	3,878,201.82
Unassigned	<u>16,297.95</u>			<u>32,585.81</u>	<u>16,297.95</u>
Total Fund Balances	\$ <u>1,678,482.33</u>		\$ <u>5,041,134.17</u>	\$ <u>71,328.81</u>	\$ <u>6,790,945.31</u>
Total Liabilities and Fund Balance	\$ <u>3,064,181.68</u>	\$ <u>315,846.52</u>	\$ <u>5,156,951.69</u>	\$ <u>71,328.81</u>	\$ <u>8,608,308.70</u>
Total Fund Balance above					\$ 6,790,945.31
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$53,695,658.03 and the accumulated depreciation is \$16,246,284.12. (see Note 7).					
					37,449,373.91
Noncurrent liabilities, including bonds, loans and leases payable are not payable in the current period and therefore are not reported as liabilities in the funds (see Note 8).					
Total Noncurrent Liabilities			\$ 18,575,527.71		
Total Unamortized Loss on Defeasance			<u>(90,735.63)</u>		(18,484,792.08)
Certain liabilities are not due and payable in the current period, and therefore, are not reported in funds:					
Accrued Interest Payable					
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)					(36,709.79)
Accrued Pension Liability					
(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year June 30, 2015, however will be raised in the budget for the fiscal year ending June 30, 2016)					(383,224.00)
Construction Grants are reported in governmental funds as revenues, however, in the Statement of Activities grant awards are not recognized as revenue until expended.					
					<u>(2,673,020.16)</u>
Net position of governmental activities (A-1)					\$ <u>22,662,573.19</u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Government</u> <u>Funds</u>
Revenues					
Local sources:					
Local tax levy	\$ 14,015,039.00			\$ 1,956,510.00	\$ 15,971,549.00
Tuition	37,155.50				37,155.50
Interest on investments			\$ 756.05		756.05
Miscellaneous	311,094.73	\$ 14,541.00			325,635.73
Total - Local Sources	\$ 14,363,289.23	\$ 14,541.00	\$ 756.05	\$ 1,956,510.00	\$ 16,335,096.28
State Sources	15,916,294.93	82,446.70		383,476.00	16,382,217.63
Federal Sources	254,602.03	1,401,803.36			1,656,405.39
Total Revenues	\$ 30,534,186.19	\$ 1,498,791.06	\$ 756.05	\$ 2,339,986.00	\$ 34,373,719.30
Expenditures					
Current:					
Regular Instruction	\$ 8,163,741.69	\$ 1,079,983.71			\$ 9,243,725.40
Special Education Instruction	2,886,019.27				2,886,019.27
Other Special Instruction	344,983.68				344,983.68
Other Instruction	597,115.40				597,115.40
Support Services and Undistributed Costs:					
Tuition	1,390,315.82				1,390,315.82
Student and Instruction Related Services	2,789,496.34	310,528.06			3,100,024.40
Other Administrative Services	1,049,281.66				1,049,281.66
School Administrative Services	1,271,542.97				1,271,542.97
Plant Operations and Maintenance	2,903,500.24				2,903,500.24
Pupil Transportation	1,306,829.34				1,306,829.34
Employee Benefits	6,927,205.17	93,738.29			7,020,943.46
Transfer to Charter Schools	198,091.00				198,091.00
Debt Service:					
Principal				\$ 1,915,000.00	1,915,000.00
Interest				431,625.00	431,625.00
Capital Outlay	403,415.91	14,541.00	\$ 180,976.83		598,933.74
Total Expenditures	\$ 30,231,538.49	\$ 1,498,791.06	\$ 180,976.83	\$ 2,346,625.00	\$ 34,257,931.38
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	\$ 302,647.70		\$ (180,220.78)	\$ (6,639.00)	\$ 115,787.92
Other Financing Sources/(Uses):					
Capital Lease Non-budgeted	\$ 220,000.00				220,000.00
Grant Awarded			\$ 2,768,981.68		2,768,981.68
Grant Receivable Canceled			(68,600.54)		(68,600.54)
Bond Proceeds			2,453,000.00		2,453,000.00
Transfers In/(Out)	626.73		(70,955.28)	\$ 70,328.55	
Total Other Financing Sources/(Uses)	220,626.73		\$ 5,082,425.86	70,328.55	\$ 5,373,381.14
Net Change in Fund Balances	\$ 523,274.43		\$ 4,902,205.08	\$ 63,689.55	\$ 5,489,169.06
Fund Balance July 1	1,155,207.90		138,929.09	7,639.26	1,301,776.25
Fund Balance June 30	<u>\$ 1,678,482.33</u>		<u>\$ 5,041,134.17</u>	<u>\$ 71,328.81</u>	<u>\$ 6,790,945.31</u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds \$ 5,489,169.06

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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 598,933.74	
Depreciation expense	(1,573,141.39)	
Capital assets, other	42,447.18	
Disposal of fixed asset adjustment	<u>(8,496.44)</u>	(940,256.91)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement activities; issuing debt increases noncurrent liabilities in the statement of net position.

Proceeds of bonds	\$ (2,453,000.00)	
Capital leases, current year proceeds	<u>(220,000.00)</u>	(2,673,000.00)

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

1,915,000.00

Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.

Amortization of premium	\$ 29,908.72	
Amortization of loss on defeasance	<u>(11,341.96)</u>	18,566.76

In the statement of activities, interest on noncurrent debt in the statement of activities is accrued, regardless of when due. In the government funds, interest is reported when due; when the accrued interest is decreased, the difference is a reduction in the reconciliation.

1,967.29

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces noncurrent debt in the statement of net position and is not reported in the statement of activities.

105,726.30

Net pension obligation related to PERS which is attributable to June 30, 2015 not reported in governmental funds; however, it is reported in the statement of activities

13,885.00

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

7,131.68

Construction Grants are reported in governmental funds as revenues, however, in the Statement of Activities grant awards are not recognized as revenue until expended.

(2,345,614.25)

Change in Net Position of Governmental Activities

\$ 1,592,574.93

PROPRIETARY FUNDS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2015

	Business-Type Activities - Enterprise Fund
<u>ASSETS</u>	<u>Food Service Total Enterprise</u>
Current Assets:	
Cash and Cash equivalents	\$ 144,946.24
Accounts receivable:	
State sources	2,150.85
Federal sources	105,351.98
Other sources	497.29
Inventories	<u>9,755.57</u>
Total Current Assets	\$ <u>262,701.93</u>
Noncurrent Assets:	
Furniture, machinery and equipment	\$ 609,678.15
Less: accumulated depreciation	<u>304,425.84</u>
Total Noncurrent Assets	\$ <u>305,252.31</u>
Total Assets	\$ <u><u>567,954.24</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 92,663.04
Current portion of Capital Lease	<u>58,259.10</u>
Total current liabilities	\$ <u>150,922.14</u>
Noncurrent liabilities:	
Capital Lease Payable	\$ <u>119,170.76</u>
Total noncurrent liabilities	\$ <u>119,170.76</u>
Total liabilities	\$ <u><u>270,092.90</u></u>
<u>NET POSITION</u>	
Invested in Capital Assets	\$ 127,822.45
Unrestricted	<u>170,038.89</u>
Total Net Position	\$ <u><u>297,861.34</u></u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Fund
	<u>Food Service</u> <u>Total Enterprise</u>
Operating Revenues:	
Local Sources:	
Daily sales - reimbursable programs:	
School lunch, breakfast and milk program	\$ 376,977.41
Daily sales - non-reimbursable programs	<u>1,470.10</u>
Total operating revenues	<u>\$ 378,447.51</u>
Operating Expenses:	
Cost of sales	\$ 398,288.82
Salaries	257,067.07
Employee Benefits	35,972.00
Insurance	58,675.59
General supplies	28,073.05
Management fee and Administrative Fee	60,140.00
Cleaning, repairs and other expenses	23,708.24
Interest Expense on Lease	3,545.98
Depreciation	<u>19,744.60</u>
Total operating expenses	<u>\$ 885,215.35</u>
Operating income/(loss)	<u>\$ (506,767.84)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	\$ 10,965.27
Federal sources:	
National school lunch program	433,125.88
School breakfast program	63,197.85
Food distribution system	<u>59,218.71</u>
Total nonoperating revenues	<u>\$ 566,507.71</u>
Income/(loss) before contributions and transfers	\$ 59,739.87
Capital Asset - adjustment	<u>\$ (2,311.16)</u>
Change in net position	\$ 57,428.71
Total net position - beginning	<u>240,432.63</u>
Total net position - ending	<u><u>\$ 297,861.34</u></u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds
	<u>Food Service Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 370,941.01
Payment for Management Fee	(60,140.00)
Payments to Employees	(257,067.07)
Payments for Employee Benefits	(35,972.00)
Payments to Suppliers	<u>(437,397.73)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(419,635.79)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 11,669.22
Federal Sources	<u>487,641.47</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>499,310.69</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Payment on Lease	\$ (57,392.44)
Acquisition of Fixed Assets	<u>(11,330.00)</u>
Net Cash Provided by/(Used for) Investing Activities	\$ <u>(68,722.44)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 10,952.46
Balances - Beginning of Year	<u>133,993.78</u>
Balances - End of Year	<u>\$ 144,946.24</u>
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities</u>	
Operating Gain/(Loss)	\$ <u>(506,767.84)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:	
Depreciation	\$ 19,744.60
Federal Commodities	59,218.71
Change in Assets and Liabilities:	
Increase Other Sources Receivable	(417.72)
Increase in Inventory	(7,088.78)
Increase in Accounts Payable	<u>15,675.24</u>
Total Adjustments	\$ <u>87,132.05</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (419,635.79)</u>

FIDUCIARY FUNDS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Trust		Agency Fund	
	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 128,934.18	\$ 44,388.81	\$ 111,651.91	\$ 257,698.36
Accounts Receivable- Other	<u>2,731.78</u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 131,665.96</u>	<u>\$ 44,388.81</u>	<u>\$ 111,651.91</u>	<u>\$ 257,698.36</u>
<u>LIABILITIES</u>				
Payable to Student Groups			\$ 111,651.91	
Payroll Deductions and Withholdings				\$ 256,938.56
Interfund Payable - General Fund			<u> </u>	<u>759.80</u>
Total Liabilities			<u>\$ 111,651.91</u>	<u>\$ 257,698.36</u>
<u>NET POSITION</u>				
Held in Trust for Unemployment Claims and Other Purposes	\$ 131,665.96			
Reserved for Scholarships	<u> </u>	<u>\$ 44,388.81</u>		
Total Net Position	<u>\$ 131,665.96</u>	<u>\$ 44,388.81</u>		

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Trust</u>	<u>Agency</u>
	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
<u>Additions</u>		
Contributions:		
Plan Members	\$ 4,763.06	
Board	<u>40,000.00</u>	\$ <u>3,000.00</u>
Total Contributions	\$ <u>44,763.06</u>	<u>3,000.00</u>
Investment Earnings:		
Interest	\$ <u>72.29</u>	<u>375.66</u>
Net Investment Earnings	\$ <u>72.29</u>	\$ <u>375.66</u>
Total Additions	\$ <u>44,835.35</u>	\$ <u>3,375.66</u>
<u>Deductions</u>		
Unemployment Claims	\$ 5,998.17	
Scholarships Awarded		\$ 4,950.00
Other	<u>9,450.46</u>	<u>206.33</u>
Total Deductions	\$ <u>15,448.63</u>	\$ <u>5,156.33</u>
Change in Net Position - Increase	\$ 29,386.72	\$ (1,780.67)
Total Net Position - Beginning of the Year	<u>102,279.24</u>	<u>46,169.48</u>
Total Net Position - End of the Year	\$ <u><u>131,665.96</u></u>	\$ <u><u>44,388.81</u></u>

NOTES TO THE FINANCIAL STATEMENTS

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The South River Borough School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three-year staggered terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2015 of 2,277 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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 Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). 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. This fund is not applicable in this fiscal year.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type

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 fund 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 – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be 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 cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on the statement of net position. Their reported fund equity (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 net position.

Depreciation of all exhaustive capital 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 of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

3. Fiduciary Funds

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.

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and five (5) scholarship funds.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

3. Fiduciary Funds (Continued)

Private Purpose Scholarship Funds (Continued)

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District presently has two (2) scholarship fund assets that can be deemed as nonexpendable Trust Fund types.

Agency Funds – Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

4. Noncurrent Debt

Noncurrent liabilities expected to be financed from governmental funds are accounted for in the General Noncurrent Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the statement of net position. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus (Continued)

2. Fund Financial Statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes 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".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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 accounting principles generally accepted in the United States of America (GAAP) 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.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

The following presents a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules.	\$ 30,534,424.19	\$ 1,498,791.06
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2014	None	None
June 30, 2015	None	None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,264,791.00	None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	<u>(1,265,029.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 30,534,186.19</u>	<u>\$ 1,498,791.06</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$ 30,231,538.49	\$ 1,498,791.06
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.		
June 30, 2014	None	None
June 30, 2015	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 30,231,538.49</u>	<u>\$ 1,498,791.06</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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 deferred 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.

G. Assets, Liabilities and Equity

1. Cash, 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. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. 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.

5. Tuition Payable

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

6. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets (Continued)

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	8 years
Office and Computer Equipment	5-10 years
Instructional Equipment	10 years
Grounds Equipment	15 years
Food Service Equipment	7-20 years

8. Deferred Outflows/Inflows of Resources

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

9. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

10. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

11. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. The amortization expense for the year ended June 30, 2015 amounted to \$11,341.96. As of June 30, 2015, the District has an unamortized balance of \$90,735.63 recorded as a deferred outflow of resources.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

12. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

13. Unearned (Deferred) Revenue

Unearned revenue in the special revenue fund represents federal and state grants that have been received but not yet earned.

14. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

15. Fund Balance Reserves

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

16. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service.

Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

17. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

18. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

19. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

20. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

21. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

21. Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

22. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2015 through December 8, 2015, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at fair value, which is in excess of cost value. The District classifies securities that have original maturity date of more than three months from the date of purchase as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2015, the District had \$127,244.81 on deposit with the New Jersey Cash Management Fund.

Allocation of Cash and Cash Equivalents:

Unrestricted		\$ 4,353,417.75
Restricted		<u>2,437,797.66</u>
		<u>\$ 6,791,215.41</u>

As of June 30, 2015, cash, cash equivalents and investment of all funds of the District consisted of the following:

		<u>Cash and Cash Equivalents</u>
Cash and Cash Equivalents:		
Checking Accounts, interest bearing		\$ 6,639,821.41
New Jersey Cash Management Fund (NJCMF)		<u>127,244.81</u>
		<u>\$ 6,767,066.22</u>
Reconciliation:		
Governmental Funds		\$ 5,689,626.91
Proprietary Funds		144,946.24
Fiduciary Funds		<u>956,642.26</u>
		<u>\$ 6,791,215.41</u>
Investment - Fiduciary - Restricted		
U.S. Treasury Note (Face Value \$16,000.00)		<u>\$ 24,149.19</u>

Risk Analysis – All of the balances were covered by either federal depository insurance or Government Unit Deposit Protection Act ("GUDPA") and are considered to have minimal custodial risk. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

4. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by Board Resolution and Budget Appropriation in a prior year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The combined Capital Reserve Account balance at June 30, 2015 is \$70,476.64 and is reflected in the General Fund.

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

Board Contributions:		
Prior to June 30, 2014	\$ 243,773.26	
During fiscal year ended June 30, 2015	<u>50,000.00</u>	\$ 293,773.26
Interest Earnings:		
Prior to June 30, 2014	\$ 1,814.53	
During fiscal year ended June 30, 2015	<u>7.85</u>	1,822.38
Withdrawals:		
Prior to June 30, 2014	\$ 225,119.00	
During fiscal year ended June 30, 2015	<u>-</u>	<u>225,119.00</u>
Balance at June 30, 2015		<u><u>\$ 70,476.64</u></u>

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2015 consisted of Federal sources, State sources and State aid. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund</u>
General Fund:	
State Aid:	
Extraordinary Aid	\$ 299,012.00
Non-Public Transportation - Cost Reimbursement	23,380.00
TPAF FICA Reimbursement	46,926.14
Federal Aid:	
Medicaid Reimbursement	<u>28,065.95</u>
	<u>\$ 397,384.09</u>
Special Revenue Fund:	
Federal:	
Adult Basic Education	\$ 18,170.40
Title I	135,556.42
Title II - Part A	14,074.44
Title III - Part A	6,929.86
IDEA Part B	54,842.27
IDEA Pre-School	2,602.70
Perkins Grant	9,158.70
NJ Achievement Coaches Program	24,784.68
State:	
Due from MRESC - Non-Public	<u>10,890.85</u>
	<u>\$ 277,010.32</u>
Capital Projects Fund:	
NJSDA ROD Grant 2011-2012	\$ 19,796.96
NJSDA ROD Grant 2015-2016	<u>2,768,980.62</u>
	<u>\$ 2,788,777.58</u>
Total	<u><u>\$ 3,463,171.99</u></u>

Memo

Capital Projects Fund:

Reconciliation to Schedule of Expenditures of State Financial Assistance

Total Receivable	\$ 2,788,777.58
Less: Unexpended Grant Proceeds (Exhibit F-2)	<u>2,673,020.38</u>
	<u><u>\$ 115,757.20</u></u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	<u>Business Type</u>
Proprietary Fund:	
Enterprise Fund	
State Sources:	
Lunch	\$ <u>2,150.85</u>
Federal Sources:	
Breakfast	\$ 19,735.36
Lunch	<u>85,616.62</u>
	\$ <u>105,351.98</u>
 Total	 \$ <u><u>107,502.83</u></u>

6. INVENTORY

The value of Federal donated commodities as reflected on Schedule A of \$59,218.71 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2015, the federal donated commodities food inventory of \$9,755.57 was included in the year end food and supplies amount of \$3,242.31.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

7. CAPITAL ASSETS, NET

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers (Retirements)</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Construction in progress		\$ 180,976.83		\$ 180,976.83
Total capital assets not being depreciated		<u>\$ 180,976.83</u>		<u>\$ 180,976.83</u>
Capital assets being depreciated:				
Site and Site Improvements	\$ 2,197,222.38	\$ 78,879.92		\$ 2,276,102.30
Building and Building Improvements	48,679,631.42	107,452.00	\$ (65,613.65)	48,852,697.07
Machinery and Equipment	3,073,111.86	285,816.72	1,105,866.35	2,253,062.23
Vehicles	132,819.60			132,819.60
Totals at historical cost	<u>\$ 54,082,785.26</u>	<u>\$ 472,148.64</u>	<u>\$ 1,040,252.70</u>	<u>\$ 53,514,681.20</u>
Less accumulated depreciation for:				
Site and Site Improvements	\$ (1,197,209.72)	\$ (114,523.73)	\$ 4,089.70	\$ (1,315,823.15)
Building and Building Improvements	(11,668,255.45)	(1,389,688.63)	33,793.10	(13,091,737.18)
Machinery and Equipment	(2,754,954.40)	(57,374.44)	(1,086,631.94)	(1,725,696.90)
Vehicles	(101,472.30)	(11,554.59)		(113,026.89)
Total accumulated depreciation	<u>\$ (15,721,891.87)</u>	<u>\$ (1,573,141.39)</u>	<u>\$ (1,048,749.14)</u>	<u>\$ (16,246,284.12)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 38,360,893.39</u>	<u>\$ (1,100,992.75)</u>	<u>\$ (8,496.44)</u>	<u>\$ 37,268,397.08</u>
Governmental activities capital assets, net	<u>\$ 38,360,893.39</u>	<u>\$ (920,015.92)</u>	<u>\$ (8,496.44)</u>	<u>\$ 37,449,373.91</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 446,375.96	\$ 11,330.00	\$ (37,272.20)	\$ 420,433.76
Building improvements	189,244.39			189,244.39
Totals at historical cost	<u>\$ 635,620.35</u>	<u>\$ 11,330.00</u>	<u>\$ (37,272.20)</u>	<u>\$ 609,678.15</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	\$ (317,749.84)	\$ (15,802.13)	\$ 34,961.04	\$ (298,590.93)
Building improvements	(1,892.44)	(3,942.47)		(5,834.91)
Total accumulated depreciation	<u>\$ (319,642.28)</u>	<u>\$ (19,744.60)</u>	<u>\$ 34,961.04</u>	<u>\$ (304,425.84)</u>
Business type activities capital assets, net	<u>\$ 315,978.07</u>	<u>\$ (8,414.60)</u>	<u>\$ (2,311.16)</u>	<u>\$ 305,252.31</u>
Detail of Additions:				
Capital lease proceeds		\$ 220,000.00		
General fund		183,415.91		
Capital projects fund		180,976.83		
Special Revenue fund		14,541.00		
Adjustment - Donated		28,737.43		
		<u>\$ 627,671.17</u>		

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

7. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 640,517.67
Special Education Instruction	199,978.50
Other Special Instruction	23,904.66
Other	41,375.41
Support Services and Undistributed Cost:	
Student and Instruction Related Services	214,807.38
School Administrative Services	88,107.96
General and Business Administrative Services	72,706.99
Plant Operations and Maintenance	201,189.79
Pupil Transportation	<u>90,553.03</u>
	<u>\$ 1,573,141.39</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT

During the fiscal year ended June 30, 2015 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One year	Noncurrent Portion
Governmental Activities						
Bonds Payable:						
General Obligation Debt	\$ 12,504,000	\$ 2,453,000	\$ 1,915,000	\$ 13,042,000	\$ 1,884,000	\$ 11,158,000
Other Liabilities:						
Obligations under						
Capital Leases	\$ 250,134	\$ 220,000	\$ 99,676	\$ 370,458	\$ 98,732	\$ 271,726
Compensated Absences						
Payable	448,001	37,668	44,800	440,869	44,087	396,782
Net Pension Liability	4,909,948		397,109	4,512,839		4,512,839
Total Other Liabilities	\$ 5,608,083	\$ 257,668	\$ 541,585	\$ 5,324,166	\$ 142,819	\$ 5,181,347
Total Governmental Activities	\$ 18,112,083	\$ 2,710,668	\$ 2,456,585	\$ 18,366,166	\$ 2,026,819	\$ 16,339,347
Reconciliation to Statement of Net Assets (Exhibit A-1):						
Long-Term Debt:						
2011 and 2012 Series Refunding Bonds:						
Add - Premium				209,361	29,909	179,452
				\$ 18,575,527	\$ 2,056,728	\$ 16,518,799
Business Type Activities						
Food Service Obligation under Capital Lease	\$ 234,822		\$ 57,392	\$ 177,430	\$ 58,259	\$ 119,171
Total	\$ 18,346,905	\$ 2,710,668	\$ 2,513,977	\$ 18,752,957	\$ 2,114,987	\$ 16,637,970

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality(ies) through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2015, the District had the following serial bonds outstanding.

General Serial Bonds:

\$18,959,000 General Obligation Bonds, Series 1995 -
 Construction a new elementary school for the kindergarten through eighth grade students (K-8). Annual remaining maturity of \$1,234,000 through December 1, 2015 at an interest rate of 5.0%. The bonds are not subject to redemption prior to maturity. \$ 1,234,000.00

\$7,005,000 General Obligation Bonds, Series 2011 -
 District's share of improvements to the High School (9-12). Annual maturities of \$300,000 to \$550,000 through June 1, 2027 at interest rates ranging from 2.25% to 4.25%. The bonds maturing prior to June 1, 2021 are not subject to redemption prior to maturity. The bonds maturing on or after June 1, 2021 are subject to redemption prior to maturity at the option of the Board, in whole at any time or in part on any interest payment date on or after June 1, 2020. 6,180,000.00

\$3,845,000 of Refunding School Bonds, Series 2012 -
 Refinance \$3,953,000 of the General Obligation Bonds 2003. Annual maturities of \$350,000 to \$445,000 through June 1, 2023 at interest rates ranging from 3.0% to 4.0%. The bonds are not subject to redemption prior to maturity. 3,175,000.00

\$2,453,000 of General Obligation Bonds, Series 2015 -
 District's share of improvements to the schools. Annual maturities ranging from \$225,000 to \$450,000 commencing on June 1, 2017 through June 1, 2025 at net interest rates ranging from 1.5% to 2.5%. The bonds are not subject to redemption prior to maturity. 2,453,000.00

\$ 13,042,000.00

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable (Continued)

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

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. This requirement has been complied with for the year ended June 30, 2014.

**SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable (Continued)

Principal and interest due on serial bonds outstanding is as follows:

School District Bonds, Series 1995						
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2016	\$ 1,234,000	\$ 30,850	\$ 1,264,850			
	<u>\$ 1,234,000</u>	<u>\$ 30,850</u>	<u>\$ 1,264,850</u>			
 School District Bonds, Series 2011						
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	School District Refunding Bonds 2012		
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Next five (5) year						
2016	\$ 300,000	\$ 205,775	\$ 505,775	\$ 350,000	\$ 115,950	\$ 465,950
2017	550,000	199,025	749,025	370,000	105,450	475,450
2018	550,000	185,275	735,275	385,000	94,350	479,350
2019	550,000	170,150	720,150	385,000	82,800	467,800
2020	550,000	153,650	703,650	405,000	67,400	472,400
	<u>2,500,000</u>	<u>913,875</u>	<u>3,413,875</u>	<u>1,895,000</u>	<u>465,950</u>	<u>2,360,950</u>
Thereafter						
2021	550,000	137,150	687,150	410,000	51,200	461,200
2022	550,000	120,650	670,650	425,000	34,800	459,800
2023	550,000	102,775	652,775	445,000	17,800	462,800
2024	550,000	83,525	633,525			
2025	550,000	61,525	611,525			
	<u>2,750,000</u>	<u>505,625</u>	<u>3,255,625</u>	<u>1,280,000</u>	<u>103,800</u>	<u>1,383,800</u>
2026	550,000	39,525	589,525			
2027	380,000	16,150	396,150			
	<u>930,000</u>	<u>55,675</u>	<u>985,675</u>			
	<u>\$ 6,180,000</u>	<u>\$ 1,475,175</u>	<u>\$ 7,655,175</u>	<u>\$ 3,175,000</u>	<u>\$ 569,750</u>	<u>\$ 3,744,750</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable (Continued)

Next five (5) year			
2016	\$	53,611	\$ 53,611
2017	\$ 225,000	50,130	275,130
2018	225,000	46,755	271,755
2019	225,000	43,380	268,380
2020	225,000	38,880	263,880
	<u>900,000</u>	<u>232,756</u>	<u>1,132,756</u>
Thereafter			
2021	225,000	34,380	259,380
2022	225,000	29,880	254,880
2023	225,000	25,380	250,380
2024	428,000	20,880	448,880
2025	450,000	11,250	461,250
	<u>1,553,000</u>	<u>121,770</u>	<u>1,674,770</u>
	<u>\$ 2,453,000</u>	<u>\$ 354,526</u>	<u>\$ 2,807,526</u>

TOTAL DEBT SERVICE

Year	Principal	Interest	Total
Next five (5) years			
2016	\$ 1,884,000	\$ 406,186	\$ 2,290,186
2017	1,145,000	354,605	1,499,605
2018	1,160,000	326,380	1,486,380
2019	1,160,000	296,330	1,456,330
2020	1,180,000	259,930	1,439,930
	<u>6,529,000</u>	<u>1,643,431</u>	<u>8,172,431</u>
Thereafter			
2021	1,185,000	222,730	1,407,730
2022	1,200,000	185,330	1,385,330
2023	1,220,000	145,955	1,365,955
2024	978,000	104,405	1,082,405
2025	1,000,000	72,775	1,072,775
	<u>5,583,000</u>	<u>731,195</u>	<u>6,314,195</u>
2026	550,000	39,525	589,525
2027	380,000	16,150	396,150
	<u>930,000</u>	<u>55,675</u>	<u>985,675</u>
	<u>\$ 13,042,000</u>	<u>\$ 2,430,301</u>	<u>\$ 15,472,301</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT (CONTINUED)

B. Bonds and Notes Authorized But Not Issued

As of June 30, 2015 there were bonds and notes authorized but not issued of \$2,768,981.68 which will be reduced accordingly as the NJSDA (Capital Projects Fund) reimbursement funds are received. The authorization was approved as part of the referendum approved by the voters on February 10, 2015 for improvements to the District's schools. The amount is equivalent to the total grant awarded to the District for the project grant:

C. Capital Lease Obligations Payable

The District is leasing equipment totaling \$796,284.95 under four (4) capital leases. The capital leases are for terms of five years. The following is a schedule of future minimum lease payments under the capital leases at June 30, 2015:

2010 Lease			
2016	\$ 11,329.91	\$ 551.76	\$ 11,881.67
	<u>\$ 11,329.91</u>	<u>\$ 551.76</u>	<u>\$ 11,881.67</u>
2014 Lease			
2016	\$ 44,688.61	\$ 3,481.12	\$ 48,169.73
2017	45,534.57	2,635.16	48,169.73
2018	46,396.53	1,773.20	48,169.73
2019	47,274.82	894.91	48,169.73
	<u>\$ 183,894.53</u>	<u>\$ 8,784.39</u>	<u>\$ 192,678.92</u>
2015 Lease			
2015	\$ 42,713.45	\$ 2,961.45	\$ 45,674.90
2016	43,435.30	2,239.60	45,674.90
2017	44,169.36	1,505.54	45,674.90
2018	44,915.83	759.07	45,674.90
	<u>\$ 175,233.94</u>	<u>\$ 7,465.66</u>	<u>\$ 182,699.60</u>
General Fund Total	<u>\$ 370,458.38</u>	<u>\$ 16,801.81</u>	<u>\$ 387,260.19</u>
Business-Type Activities:			
Enterprise Fund - 2013 Lease			
2016	\$ 58,259.10	\$ 2,679.32	\$ 60,938.42
2017	59,138.86	1,799.56	60,938.42
2018	60,031.90	906.52	60,938.42
	<u>\$ 177,429.86</u>	<u>\$ 5,385.40</u>	<u>\$ 182,815.26</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

8. NONCURRENT DEBT (CONTINUED)

D. Defeasance

2012 Refunding Bonds

On June 1, 2012 the Board issued \$3,845,000.00 (refer to Note 8A) in general obligation (Refunding) bonds to advance refund \$3,953,000.00 of outstanding 2003 Series Bonds callable on or after June 1, 2014. The net proceeds which included a premium of \$328,995.90 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2012 Series Bonds, which were included in the refunding.

As a result of the accounting requirement in accordance with GASB #65 Accounting and Financial Reporting for Refunding of Debt, the recording of the transaction related to the new vs. old and related costs resulted in an accounting loss of \$136,103.46 which in conjunction with the premium will be amortized over the remaining life of the Series 2012 Refunding Bond Issue using the "straight line method".

The transaction was done at an economic savings to the District in accordance with the State of New Jersey Local Finance Board requirements and their present value savings criteria. The present value savings at the time refunding was \$143,874.63, or 3.63%.

As a result, the related portion of the 2003 Series Bonds are considered defeased and the liability for these bonds has been removed from the District's records.

Unamortized Loss on Defeasance

	<u>Beginning Balance</u>	<u>Amortization</u>	<u>Ending Balance</u>
2012 Series Refunding Bonds	\$ <u>102,078</u>	\$ <u>11,342</u>	\$ <u>90,736</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS

Basic Financial Statements

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF): The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A.18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employees' Retirement System (PERS): The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 61 and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Basic Financial Statements (Continued)

Funding Policy: The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

Year Funding	Three-Year Trend Information for PERS			Percentage of APC Contributed	Employee Contribution
	Annual Pension Cost		Net Cost to District		
	Normal	Accrued			
June 30, 2015	\$ 33,080	\$ 153,021	\$ 186,101	100%	\$ 98,188
June 30, 2014	57,421	155,066	212,487	100%	107,662
June 30, 2013	50,222	120,082	180,440	100%	106,745

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding <u>June 30</u>	Pension Paid on-behalf of District				TPAF FICA
	Cost (APC)	APC Contributed	Total On-Behalf of	Employee Contribution	
2015	\$ None	100%	\$ 672,043	\$ 896,190	\$ 950,109
2014	None	100%	512,321	811,549	947,413
2013	None	100%	797,924	803,208	889,049

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$672,043 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$950,109 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Basic Financial Statements (Continued)

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

District-Wide Financial Statements

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2014 and 2013 Independent Auditor's Report dated November 13, 2015.

At June 30, 2015, the District reported a liability of \$4,512,839.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

	June 30,	
	2014	2013
District Proportionate Share	0.0241035270 %	0.0256904111 %
Difference - Increase	(0.0015868841)	

For the year ended June 30, 2015, the District recognized pension expense of \$397,109.00. 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>
Change in Assumption		\$ 141,908.00
Net difference between projected and actual earnings on pension plan investments	\$ 268,941.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	256,191.00	
District contributions subsequent to the measurement date	198,134.00	
Total	\$ 525,132.00	\$ 340,042.00

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

District-Wide Financial Statements (Continued)

Public Employees Retirement System (PERS) (Continued)

The \$198,134.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ (41,149.17)
2017	(41,149.17)
2018	(41,149.17)
2019	26,086.01
Thereafter	11,478.09

Additional Information:

Collective balances at June 30, 2014 and 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$ 1,452,705,538	Not Available
Collective deferred inflows of resources	2,146,719,012	Not Available
Collective net pension liability	38,849,838,953	\$ 38,410,610,030
District's proportion	0.0241032700 %	0.0256904111 %

Actuarial Assumptions

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

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

District-Wide Financial Statements (Continued)

Mortality Rates

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

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00 %	0.80 %
Core Bond	1.00	2.49
Intermediate Term Bonds	11.20	2.26
Mortgages	2.50	2.17
High Yield Bonds	5.50	4.82
Inflation Indexed Bonds	2.50	3.51
Broad U.S. Equities	25.90	8.22
Developed Foreign Markets	12.70	8.12
Emerging Market Equities	6.50	9.91
Private Equity	8.25	13.02
Hedge Funds/Absolute Returns	12.25	4.92
Real Estate (Property)	3.20	5.80
Commodities	2.50	5.35
	<u>100.00 %</u>	

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

District-Wide Financial Statements (Continued)

Actuarial Assumptions (Continued)

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 participating employers as of June 30, 2014 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 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease	At Current	1% Increase
	<u>4.39%</u>	<u>Discount Rate</u>	<u>6.39%</u>
	<u>5.39%</u>		
District's proportionate share of the pension liability	\$ 5,677,305	\$ 4,512,839	\$ 3,534,960

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2014 and 2013 Independent Auditor's Report dated November 13, 2015.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2014 was as follows:

Net Pension Liability:

Districts proportionate share	\$ -
State's proportionate share associated with the District	<u>64,726,265.00</u>
	<u><u>\$ 64,726,265.00</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .01211042219%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$3,482,881.00 for contributions provided by the State.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation	2.50 Percent
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00 %	0.50 %
Core Fixed Income	0.00	2.19
Core Bond	1.00	1.38
Short-Term Bonds	0.00	1.00
Intermediate Term Bonds	11.20	2.60
Long-Term Bonds	0.00	3.23
Mortgages	2.50	2.84
High Yield Bonds	5.50	4.15
Non-US Fixed Income	0.00	1.41
Inflation-Indexed Bonds	2.50	1.30
Broad U.S. Equities	25.90	5.88
Large Cap US Equities	0.00	5.62
Mid Cap US Equities	0.00	6.39
Small Cap US Equities	0.00	7.39
Developed Foreign Markets	12.70	6.05
Emerging Market Equities	6.50	8.90
Private Equity	8.25	9.15
Hedge Funds/Absolute Returns	12.25	3.85
Real Estate (Property)	3.20	4.43
Real Estate (REITS)	0.00	5.58
Commodities	2.50	3.60
Long Credit Bonds	<u>0.00</u>	3.74
	<u>100.00 %</u>	

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% 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. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees 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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.80 million toward Chapter 126 benefits for 18,122 eligible retired members in fiscal year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

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

<u>Year Ending</u>	<u>Post-Retirement Medical</u>
June 30, 2015	\$1,066,869
June 30, 2014	840,014
June 30, 2013	902,251

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

11. COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

The liability for vested compensated absences of the governmental fund types is reflected in the statement of net position in the current and long-term liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the long-term liability balance of compensated absences.

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

12. DEFERRED COMPENSATION

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

- AXA Equitable
- Met Life

13. 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 surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

13. RISK MANAGEMENT (CONTINUED)

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

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Interest</u> <u>Earnings</u>	<u>Board</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 72.29	\$ 40,000.00	\$ 4,763.06	\$ 15,448.63	\$ 131,665.96
2014	54.54	25,000.00	595.54	29,859.54	102,279.24
2013	66.47	25,018.02	27,512.70	65,590.10	106,488.70

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a monthly per employee premium (traditional plan).

Other Coverage: The Board has contracted with a commercial insurance company to provide coverage for various losses. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section.

The Board also maintains surety bond coverage on key financial employees.

14. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General	\$ 143,797.20	
Special Revenue		\$ 143,263.76
Capital Projects	853.09	
Debt Service Fund	70,328.55	70,955.28
Other Fund:		
Trust and Agency		759.80

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

15. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,676,482.33 General Fund fund balance at June 30, 2015, \$70,476.64 is restricted for the Capital Reserve Account; \$226,724.90 is restricted - assigned excess surplus (from 2013-2014) – designated for subsequent years expenditures and has been appropriated and included as anticipated revenue for the year ended June 30, 2016, \$1,223,275.10 is assigned-designated for subsequent year's expenditures and included as anticipated revenue for the year ended June 30, 2016. \$16,297.95 is assigned – ARRA/SEMI designated for subsequent years expenditures and \$141,707.74 (2014-2015) is reserved for excess surplus.

Capital Projects Fund – Of the \$5,041,134.17 Capital Projects Fund balance at June 30, 2015 \$2,616,183.72 is assigned designated for subsequent year's expenditures and \$2,424,950.45 is reserved for encumbrances.

Debt Service Fund – Of the \$71,328.81 Debt Service Fund balance at June 30, 2015, \$38,743.00 is assigned – designated for subsequent year's expenditures, \$32,585.81 is unassigned.

16. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7 as amended, 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. There was excess fund balance as a result of the year ended June 30, 2015 of \$518,892.21 and as a result of the year ended June 30, 2014 of \$266,724.90.

17. RECONCILIATION OF FUND BALANCES – GENERAL FUND

The Surpluses are Presented on a GAAP Basis and a Reconciliation to the Budget Basis as follows:	<u>Reserve for Excess Surplus</u>	<u>Unassigned</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 518,892.21	\$ 887,844.53
Less:		
Allocation of State Aid Payment of \$1,265,029.00 not Recognized on GAAP Basis	<u>377,184.47</u>	<u>887,844.53</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u>\$ 141,707.74</u>	<u>\$ None</u>

SOUTH RIVER BOROUGH SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

18. CONTINGENT LIABILITIES

- A. **Grant Programs** – The school district participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of those grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** - As of the date of this report, in the opinion of the Board Attorney and management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.

19. ECONOMIC DEPENDENCY

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

20. PRIOR PERIOD RESTATEMENT – DISTRICT-WIDE FINANCIAL STATEMENTS

GASB Statement No. 65 relates to items "*Previously Reported as Assets and Liabilities*". As of June 30, 2014 and 2015 the financial statement reflects a write-up of the premium on general obligation bonds that were previously written-off which actually should be amortized over the remaining maturity of the general obligation bonds. The statement of net position as of June 30, 2014 has been restated to provide for the cumulative impact of the adjustment; there is no impact on the governmental funds fund balance.

GASB Statement No. 68 relates to "*Accounting and Financial Reporting for Pensions*". The net position as of June 30, 2014 was restated in order to account for the net pension (PERS) liability of the District, the data was released in the late fall of 2015 and it was necessary to retroactively adjust the net position as of June 30, 2015. The statement of net position as of June 30, 2014 has been restated to provide for the cumulative impact of the adjustment; there is no impact on the governmental funds fund balance.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local sources:					
Local tax levy	\$ 14,015,039.00		\$ 14,015,039.00	\$ 14,015,039.00	
Tuition	58,000.00	\$ (1,400.00)	56,600.00	37,155.50	\$ (19,444.50)
Miscellaneous	30,000.00		30,000.00	311,094.73	281,094.73
Total - local sources	14,103,039.00	(1,400.00)	14,101,639.00	14,363,289.23	261,650.23
State sources:					
Categorical Transportation Aid	99,861.00		99,861.00	99,861.00	
Categorical Special Education Aid	1,432,582.00		1,432,582.00	1,432,582.00	
Equalization Aid	10,551,002.00		10,551,002.00	10,551,002.00	
Categorical Security Aid	274,755.00		274,755.00	274,755.00	
PARCC Readiness Aid	23,460.00		23,460.00	23,460.00	
Per Pupil Growth Aid	23,460.00		23,460.00	23,460.00	
Under adequacy	500,000.00		500,000.00	500,000.00	
Extraordinary Aid				299,012.00	299,012.00
Non-public transportation aid				23,380.00	23,380.00
TPAF - pension contribution (on behalf - non budgeted)				672,043.00	672,043.00
TPAF - post retirement medical (on-behalf - non budgeted)				1,066,869.00	1,066,869.00
Reimbursed TPAF social security contributions (non-budgeted)				950,108.93	950,108.93
Total - state sources	12,905,120.00		12,905,120.00	15,916,532.93	3,011,412.93
Federal sources:					
Medical Assistance Program	45,000.00		45,000.00	89,291.90	44,291.90
Semi Cost Settlement				149,012.18	149,012.18
ARRA/SEMI				16,297.95	16,297.95
Total - federal sources	45,000.00		45,000.00	254,602.03	209,602.03
Total revenues	\$ 27,053,159.00	\$ (1,400.00)	\$ 27,051,759.00	\$ 30,534,424.19	\$ 3,482,665.19

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
CURRENT EXPENSE:					
Transfer of funds to charter schools	\$ 143,945.00	\$ 59,534.00	\$ 203,479.00	\$ 198,091.00	\$ 5,388.00
Total transfer of funds to charter schools	<u>143,945.00</u>	<u>59,534.00</u>	<u>203,479.00</u>	<u>198,091.00</u>	<u>5,388.00</u>
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	412,000.00	82,406.50	494,406.50	491,981.50	2,425.00
Grades 1 - 5	2,780,229.00		2,780,229.00	2,754,696.94	25,532.06
Grades 6 - 8	1,957,005.00	38,431.77	1,995,436.77	1,992,424.27	3,012.50
Grades 9 - 12	<u>2,410,615.00</u>	<u>72,652.65</u>	<u>2,483,267.65</u>	<u>2,483,267.65</u>	
Total Regular Programs - Instruction	<u>7,559,849.00</u>	<u>193,490.92</u>	<u>7,753,339.92</u>	<u>7,722,370.36</u>	<u>30,969.56</u>
Home instruction:					
Salaries of teachers	15,000.00	28,881.25	43,881.25	43,881.25	
Purchased professional - education services	<u>20,000.00</u>	<u>7,242.00</u>	<u>27,242.00</u>	<u>27,242.00</u>	
Total home instruction	<u>35,000.00</u>	<u>36,123.25</u>	<u>71,123.25</u>	<u>71,123.25</u>	
Regular programs - undistributed instruction:					
Other salaries for instruction		10,000.00	10,000.00	7,182.40	2,817.60
Purchased professional - educational services	19,131.00	400.76	19,531.76	10,575.25	8,956.51
Purchased technical services	20,508.00	(6,097.50)	14,410.50	14,410.50	
Other purchased services (400-500 series)	80,575.00	1,916.10	82,491.10	81,191.10	1,300.00
General supplies	240,951.00	(10,312.75)	230,638.25	211,411.06	19,227.19
Textbooks	11,917.00	32,972.39	44,889.39	44,696.77	192.62
Other objects	<u>4,042.00</u>		<u>4,042.00</u>	<u>781.00</u>	<u>3,261.00</u>
Total regular programs - undistributed instruction	<u>377,124.00</u>	<u>28,879.00</u>	<u>406,003.00</u>	<u>370,248.08</u>	<u>35,754.92</u>
Total regular programs	<u>7,971,973.00</u>	<u>258,493.17</u>	<u>8,230,466.17</u>	<u>8,163,741.69</u>	<u>66,724.48</u>
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	770,542.00	(262,358.45)	508,183.55	472,778.98	35,404.57
Other salaries for instruction	85,120.00	(14,000.00)	71,120.00	40,416.82	30,703.18
General supplies	<u>1,888.00</u>		<u>1,888.00</u>	<u>1,470.02</u>	<u>417.98</u>
Total learning and/or language disabilities	<u>\$ 857,550.00</u>	<u>\$ (276,358.45)</u>	<u>\$ 581,191.55</u>	<u>\$ 514,665.82</u>	<u>\$ 66,525.73</u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Visual impairments:					
Salaries of teachers	\$ 38,525.00		\$ 38,525.00	\$ 34,862.88	\$ 3,662.12
Other salaries for instruction	16,320.00	\$ (16,223.12)	96.88	96.88	
General Supplies	417.00		417.00	332.09	84.91
Total Visual impairments	55,262.00	(16,223.12)	39,038.88	35,291.85	3,747.03
Resource room/resource center:					
Salaries of teachers	1,390,420.00	228,162.36	1,618,582.36	1,618,582.36	
Other salaries for instruction	281,880.00	(21,199.16)	260,680.84	260,680.84	
General supplies	9,290.00		9,290.00	9,227.83	62.17
Textbooks					
Total resource room/resource center	1,681,590.00	206,963.20	1,888,553.20	1,888,491.03	62.17
Autism:					
Salaries of teachers	51,600.00	186.92	51,786.92	51,786.92	
Other salaries for instruction	104,400.00	81,644.92	186,044.92	186,044.92	
General Supplies	515.00		515.00	410.70	104.30
Total Autism	156,515.00	81,831.84	238,346.84	238,242.54	104.30
Preschool disabilities - part-time:					
Salaries of teachers	130,428.00		130,428.00	128,441.91	1,986.09
Other salaries for instruction	105,230.00	(25,119.84)	80,110.16	80,110.16	
General supplies	1,318.00		1,318.00	775.96	542.04
Total preschool disabilities	236,976.00	(25,119.84)	211,856.16	209,328.03	2,528.13
Total special education - instruction	2,987,893.00	(28,906.37)	2,958,986.63	2,886,019.27	72,967.36
Basic skills/remedial:					
Salaries of teachers	152,220.00		152,220.00	145,052.00	7,168.00
Total basic skills/remedial	152,220.00		152,220.00	145,052.00	7,168.00
Bilingual education:					
Salaries of teachers	188,450.00	13,014.75	201,464.75	196,654.75	4,810.00
General supplies	2,088.00	1,188.93	3,276.93	3,276.93	
Total bilingual education	\$ 190,538.00	\$ 14,203.68	\$ 204,741.68	\$ 199,931.68	\$ 4,810.00

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
School sponsored co/extracurricular activities:					
Salaries	\$ 89,598.00		\$ 89,598.00	\$ 88,175.75	\$ 1,422.25
Purchased services (300-500 series)	7,500.00		7,500.00	5,300.00	2,200.00
Supplies and materials	1,095.00		1,095.00		1,095.00
Other objects	4,875.00	\$ 720.00	5,595.00	2,903.00	2,692.00
Total school sponsored co/extracurricular activities	103,068.00	720.00	103,788.00	96,378.75	7,409.25
School sponsored athletic activities:					
Salaries	437,410.00	(26,708.55)	410,701.45	385,637.45	25,064.00
Purchased services (300-500 series)	19,680.00		19,680.00	17,954.08	1,725.92
Supplies and materials	27,256.00	1,370.78	28,626.78	28,626.78	
Other objects	72,658.00	(956.79)	71,701.21	68,518.34	3,182.87
Total school sponsored athletic activities	557,004.00	(26,294.56)	530,709.44	500,736.65	29,972.79
Total instructional programs	11,962,696.00	218,215.92	12,180,911.92	11,991,860.04	189,051.88
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - special	207,792.00	(151,992.57)	55,799.43	21,464.78	34,334.65
Tuition to CSSD and regular day schools	568,956.00	(106,959.14)	461,996.86	420,126.00	41,870.86
Tuition to private schools-disabled within the state	741,548.00	70,012.54	811,560.54	811,560.54	
Tuition to state facilities	32,306.00		32,306.00	32,306.00	
Tuition - other	54,401.00	50,457.50	104,858.50	104,858.50	
Total undistributed expenditures - instruction	1,605,003.00	(138,481.67)	1,466,521.33	1,390,315.82	76,205.51
Attendance and social work:					
Salaries	46,581.00	2,240.00	48,821.00	44,147.95	4,673.05
Purchased professional and technical services	815.00		815.00	795.00	20.00
Total attendance and social work	47,396.00	2,240.00	49,636.00	44,942.95	4,693.05
Health services:					
Salaries	255,850.00		255,850.00	226,996.50	28,853.50
Purchased professional and technical services	11,028.00		11,028.00	8,861.50	2,166.50
Supplies and materials	6,394.00	4,356.95	10,750.95	10,750.95	
Total health services	\$ 273,272.00	\$ 4,356.95	\$ 277,628.95	\$ 246,608.95	\$ 31,020.00

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures: (Continued)					
Other support services - student-related services:					
Salaries	\$ 209,200.00	\$ 1,349.50	\$ 210,549.50	\$ 210,549.50	
Purchased professional - educational services	42,347.00	(13,067.18)	29,279.82	17,070.32	\$ 12,209.50
Supplies and materials	3,258.00	67.18	3,325.18	3,228.48	96.70
Total other support services - student-related services	254,805.00	(11,650.50)	243,154.50	230,848.30	12,306.20
Other support services - student-extra. services:					
Purchased professional - educational services	377,748.00	(3,495.46)	374,252.54	285,408.00	88,844.54
Total other support services - student-extra services	377,748.00	(3,495.46)	374,252.54	285,408.00	88,844.54
Other support services - students - regular:					
Salaries of other professional staff	545,149.00	(7,976.34)	537,172.66	507,866.81	29,305.85
Salaries of secretarial and clerical assistants	81,933.00	884.04	82,817.04	82,817.04	
Other purchased services (400-500 series)	6,714.00		6,714.00	5,526.51	1,187.49
Supplies and materials	8,663.00	1,022.77	9,685.77	9,567.42	118.35
Total other support services - students - regular	642,459.00	(6,069.53)	636,389.47	605,777.78	30,611.69
Other support services - students - special:					
Salaries of other professional staff	733,539.00	20,936.65	754,475.65	745,835.15	8,640.50
Salaries of secretarial and clerical assistants	50,723.00	5,522.88	56,245.88	51,079.76	5,166.12
Purchased professional - educational services	190,880.00	(120.00)	190,760.00	186,468.00	4,292.00
Other Purchased Services (400-500 Series)	1,225.00		1,225.00	209.57	1,015.43
Supplies and materials	12,505.00		12,505.00	12,043.26	461.74
Other objects	1,775.00	(775.00)	1,000.00	500.54	499.46
Total other support services - students - special	990,647.00	25,564.53	1,016,211.53	996,136.28	20,075.25
Improvement of instructional services:					
Salaries of supervisors of instruction	155,400.00		155,400.00	142,482.00	12,918.00
Salaries of other professional staff	14,500.00		14,500.00	12,100.00	2,400.00
Salaries of secretarial and clerical assistants	23,941.00		23,941.00	18,562.56	5,378.44
Purchased professional - educational services		1,060.86	1,060.86		1,060.86
Supplies and materials	6,712.00	(1,166.00)	5,546.00	3,098.57	2,447.43
Other objects	600.00		600.00	169.00	431.00
Total improvement of instructional services	\$ 201,153.00	\$ (105.14)	\$ 201,047.86	\$ 176,412.13	\$ 24,635.73

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Educational media/school library:					
Salaries	\$ 178,775.00		\$ 178,775.00	\$ 162,001.10	\$ 16,773.90
Purchased professional and technical services	1,400.00		1,400.00	1,400.00	
Other purchased services (400-500 series)	4,175.00		4,175.00	4,062.95	112.05
Supplies and materials	8,935.00		8,935.00	8,598.84	336.16
	<u>193,285.00</u>		<u>193,285.00</u>	<u>176,062.89</u>	<u>17,222.11</u>
Instructional staff training services:					
Purchased professional - educational services	21,700.00	(2,000.00)	19,700.00	14,628.25	5,071.75
Other purchased services (400-500 series)	12,699.00	2,000.00	14,699.00	11,337.68	3,361.32
Supplies and materials	2,766.00		2,766.00	1,333.13	1,432.87
	<u>37,165.00</u>		<u>37,165.00</u>	<u>27,299.06</u>	<u>9,865.94</u>
Support services - general administration:					
Salaries	274,000.00	1,300.00	275,300.00	263,547.06	11,752.94
Legal services	57,000.00	13,000.00	70,000.00	49,325.00	20,675.00
Audit fees	37,000.00	(643.75)	36,356.25	33,330.00	3,026.25
Architectural/Engineer Services	10,000.00	(1,606.25)	8,393.75	5,862.10	2,531.65
Other purchased professional services	10,000.00	10,950.00	20,950.00	19,702.50	1,247.50
Communications/telephone	80,000.00		80,000.00	74,115.39	5,884.61
BOE other purchased services	7,000.00		7,000.00	3,621.55	3,378.45
Other purchased services (400-500 series)	31,000.00	20,000.00	51,000.00	45,150.43	5,849.57
Supplies and materials	7,500.00		7,500.00	2,986.94	4,513.06
Judgments against the school district	8,000.00		8,000.00		8,000.00
Miscellaneous expenditures	6,500.00	775.70	7,275.70	7,275.70	
BOE membership dues and fees	15,000.00	(88.70)	14,911.30	14,208.95	702.35
	<u>543,000.00</u>	<u>43,687.00</u>	<u>586,687.00</u>	<u>519,125.62</u>	<u>67,561.38</u>
Support services - school administration:					
Salaries of principals/assistant principals	916,042.00	4,901.07	920,943.07	920,943.07	
Salaries of secretarial and clerical assistants	343,791.00		343,791.00	339,967.83	3,823.17
Other purchased services (400-500 series)	6,560.00		6,560.00	1,825.12	4,734.88
Supplies and materials	11,306.00		11,306.00	8,806.95	2,499.05
Other objects	100.00		100.00		100.00
	<u>\$ 1,277,799.00</u>	<u>\$ 4,901.07</u>	<u>\$ 1,282,700.07</u>	<u>\$ 1,271,542.97</u>	<u>\$ 11,157.10</u>

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 325,660.00	19,096.76	\$ 344,756.76	\$ 344,756.76	\$
Purchased Technical Services	47,500.00	(6,254.16)	41,245.84	41,245.84	
Miscellaneous purchased services (400-500 series)	5,000.00		5,000.00	3,453.73	1,546.27
Supplies and materials	12,500.00	(5,573.89)	6,926.11	6,817.34	108.77
Other objects	1,000.00		1,000.00	360.62	639.38
Total central services	<u>391,660.00</u>	<u>7,268.71</u>	<u>398,928.71</u>	<u>396,634.29</u>	<u>2,294.42</u>
Administration information technology:					
Salaries	119,181.00	7,800.12	126,981.12	126,981.12	
Other purchased services (400-500 series)	4,475.00		4,475.00	3,362.50	1,112.50
Supplies and materials	3,459.00		3,459.00	3,178.13	280.87
Total administration information technology	<u>127,115.00</u>	<u>7,800.12</u>	<u>134,915.12</u>	<u>133,521.75</u>	<u>1,393.37</u>
Undistributed expenditures (continued):					
Required maintenance for school facilities:					
Salaries	444,219.00		444,219.00	429,684.51	14,534.49
Cleaning, repair and maintenance services	285,846.00	(50,280.71)	235,565.29	233,281.59	2,283.70
General supplies	128,000.00	31,210.10	159,210.10	158,869.23	340.87
Other objects	5,400.00		5,400.00	4,150.00	1,250.00
Total required maintenance for school facilities	<u>863,465.00</u>	<u>(19,070.61)</u>	<u>844,394.39</u>	<u>825,985.33</u>	<u>18,409.06</u>
Other operation and maintenance of plant:					
Salaries of Non-Instructional Aides	89,980.00	8,640.82	98,620.82	98,620.82	
Cleaning, repair and services	506,861.00	1,000.00	507,861.00	493,488.32	14,372.68
Rental of Land & Bldg. Other than Lease Purchase Agreement	1,750.00		1,750.00	571.86	1,178.14
Other purchased property services	317,911.00	(4,469.43)	313,441.57	272,173.30	41,268.27
Insurance	165,500.00		165,500.00	165,224.17	275.83
Miscellaneous purchased services	1,540.00	200.00	1,740.00	1,572.31	167.69
Energy (Electricity)	775,000.00	98,648.41	873,648.41	869,407.12	4,241.29
Energy (Gasoline)	3,200.00		3,200.00	2,781.04	418.96
Energy (Natural Gas)	247,500.00	(86,689.13)	160,810.87	117,062.03	43,748.84
Total operation and maintenance of plant	<u>\$ 2,109,242.00</u>	<u>\$ 17,330.67</u>	<u>\$ 2,126,572.67</u>	<u>\$ 2,020,900.97</u>	<u>\$ 105,671.70</u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Care and up keep of grounds					
Clearing, Repair and Maintenance of services	\$ 26,500.00	\$ 3,838.60	\$ 30,338.60	\$ 30,338.60	
General Supplies	16,000.00	10,275.34	26,275.34	26,275.34	
Total Care and upkeep of grounds	42,500.00	14,113.94	56,613.94	56,613.94	
Student transportation services:					
Management Fee - ESC & CTSA Trans. Program	45,000.00		45,000.00	36,777.16	\$ 8,222.84
Contracted services (between home and school) - vendors	179,389.00	(112,878.34)	66,510.66	57,193.15	9,317.51
Contracted services (other than between home and school) - vendors	109,918.00	120.00	110,038.00	100,305.85	9,732.15
Contracted services (between home and school) - joint statements	29,382.00		29,382.00	27,160.00	2,222.00
Contracted services (special education students) - joint statements	287,151.00	66,514.60	353,665.60	353,665.60	
Contracted Services (regular students) - ESC and CTSA	88,088.00		88,088.00	34,549.60	53,538.40
Contracted services (special education students) - ESC and CTSA	714,080.00	(84,927.46)	629,152.54	601,396.85	27,755.69
Contract Services - Aide in Lieu Pymts - Non public Schools	51,060.00	51,106.47	102,166.47	95,781.13	6,385.34
Total student transportation	1,504,068.00	(80,064.73)	1,424,003.27	1,306,829.34	117,173.93
Unallocated benefits- employee benefits:					
Social security contribution	329,634.00	543.39	330,177.39	319,094.54	11,082.85
Other retirement contributions - regular	254,384.00	(22,089.00)	232,295.00	230,608.99	1,686.01
Unemployment compensation	40,000.00		40,000.00	40,000.00	
Workmen's compensation	165,000.00	(20,852.12)	144,147.88	143,344.96	802.92
Health benefits	3,734,414.00	(167,196.93)	3,567,217.07	3,440,344.75	126,872.32
Tuition reimbursement	30,000.00		30,000.00	6,847.50	23,152.50
Other employee benefits	40,000.00	17,943.50	57,943.50	57,943.50	
Total unallocated benefits- employee benefits	4,593,432.00	(191,651.16)	4,401,780.84	4,238,184.24	163,596.60
On behalf - TPAF - pension contributions (non budgeted)				672,043.00	(672,043.00)
On behalf - TPAF - post retirement medical (non budgeted)				1,066,869.00	(1,066,869.00)
Reimbursed TPAF social security contributions (non budgeted)				950,108.93	(950,108.93)
Total on behalf - Contributions				2,689,020.93	(2,689,020.93)
Total undistributed expenditures	16,075,214.00	(323,325.81)	15,751,888.19	17,638,171.54	(1,886,283.35)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 28,037,910.00	\$ (105,109.89)	\$ 27,932,800.11	\$ 29,630,031.58	\$ (1,697,231.47)

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Equipment:					
Undistributed expenditures:					
Operation and maintenance of plant services		\$ 29,902.89	\$ 29,902.89	\$ 29,902.89	
Non-instructional services		15,673.00	15,673.00	15,672.84	\$ 0.16
Total equipment		45,575.89	45,575.89	45,575.73	0.16
Facilities acquisition and construction services:					
Construction Services	\$ 34,000.00		34,000.00	30,388.18	3,611.82
Assessment for Debt Service on SDA Funding	107,452.00		107,452.00	107,452.00	
Total facilities acquisition and construction services	141,452.00		141,452.00	137,840.18	3,611.82
Assets acquired under capital lease (non-budgeted):				220,000.00	(220,000.00)
TOTAL EXPENDITURES - CAPITAL OUTLAY	141,452.00	45,575.89	187,027.89	403,415.91	(216,388.02)
TOTAL GENERAL FUND EXPENDITURES	28,323,307.00	\$	28,323,307.00	30,231,538.49	(1,908,231.49)
Excess/(deficiency) of revenues over/(under) expenditures	(1,270,148.00)	(1,400.00)	(1,271,548.00)	302,885.70	1,574,433.70
Other financing sources/(uses):					
Operating Transfers in/(out):					
Transfers in - Capital Projects Fund Interest				756.05	(756.05)
Capital leases (Non-Budgeted)				220,000.00	(220,000.00)
Capital Contributions				(129.32)	
Total other financing sources/(uses)				220,626.73	(220,756.05)
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (1,270,148.00)	\$ (1,400.00)	\$ (1,271,548.00)	\$ 523,512.43	\$ 1,353,677.65
Fund balance, July 1	2,419,998.90		2,419,998.90	2,419,998.90	
Fund balance, June 30	\$ 1,149,850.90	\$ (1,400.00)	\$ 1,148,450.90	\$ 2,943,511.33	\$ 1,353,677.65

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Reconciliation of Original Budget:					
Budgeted General Fund Balance	\$ 1,270,148.00				
Excess/(deficiency of revenues) over/(under) expenditures	\$ 1,270,148.00				
Recapitulation of Fund Balance:					
Restricted-Capital reserve				\$ 70,476.64	
Assigned-Excess Surplus designated for subsequent year's expenditure (15-16)				226,724.90	
Restricted-Reserve for excess surplus				518,892.21	
Assigned -designated for subsequent year's expenditures				1,223,275.10	
ARRA/SEMI				16,297.95	
Unassigned				<u>887,844.53</u>	
				\$ 2,943,511.33	
Reconciliation to governmental funds statements (GAAP):					
Last two (2) State Aid Payments not recognized on GAAP basis				<u>1,265,029.00</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 1,678,482.33</u>	

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,009,800.00	\$ 494,398.02	\$ 1,504,198.02	\$ 1,401,803.36	\$ 102,394.66
State Sources	90,500.00	62,745.85	153,245.85	82,446.70	70,799.15
Local Sources		14,541.00	14,541.00	14,541.00	
Total Revenues	\$ 1,100,300.00	\$ 571,684.87	\$ 1,671,984.87	\$ 1,498,791.06	\$ 173,193.81
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 387,653.00	\$ 139,924.00	\$ 527,577.00	\$ 506,362.39	\$ 21,214.61
Other Salaries for Instruction	83,000.00	1,540.00	84,540.00	82,948.00	1,592.00
Purchased Professional and Technical Services	88,001.00	(5,283.65)	82,717.35	75,664.35	7,053.00
Other Purchased Services	300,000.00	10,000.00	310,000.00	310,000.00	
Supplies and Materials					
General Supplies	18,207.00	80,815.51	99,022.51	92,851.12	6,171.39
Textbooks	13,800.00	(1,467.00)	12,333.00	12,157.85	175.15
Total Instruction	890,661.00	225,528.86	1,116,189.86	1,079,983.71	36,206.15
Support Services:					
Salaries of Other Professional Staff	5,000.00	69,082.00	74,082.00	34,001.70	40,080.30
Salaries of Secretarial and Clerical Assistants	53,138.00	2,787.00	55,925.00	54,066.67	1,858.33
Personal Services - Employee Benefits	82,303.00	52,019.96	134,322.96	93,738.29	40,584.67
Purchased Professional - Educational Services		6,624.00	6,624.00	6,624.00	
Purchased Professional - Technical Services	53,518.00	179,327.00	232,845.00	193,414.50	39,430.50
Other Purchased Services	6,131.00	12,518.80	18,649.80	10,396.35	8,253.45
Travel		393.71	393.71	393.71	
Supplies and Materials	9,049.00	8,834.49	17,883.49	11,527.14	6,356.35
Other Objects	500.00	28.05	528.05	103.99	424.06
Total Support Services	209,639.00	331,615.01	541,254.01	404,266.35	136,987.66
Facilities Acquisition and Construction Services:					
Instructional Equipment		14,541.00	14,541.00	14,541.00	
Total Facilities Acquisition and Construction Services		14,541.00	14,541.00	14,541.00	
Total Expenditures	\$ 1,100,300.00	\$ 571,684.87	\$ 1,671,984.87	\$ 1,498,791.06	\$ 173,193.81

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Explanation of Differences between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 \$ 30,534,424.19	C-2 \$ 1,498,791.06
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2014	None	None
June 30, 2015	None	None
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,264,791.00	None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	<u>(1,265,029.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>30,534,186.19</u>	B-2 \$ <u>1,498,791.06</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1 \$ 30,231,538.49	C-2 \$ 1,498,791.06
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2014	None	None
June 30, 2015	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>30,231,538.49</u>	B-2 \$ <u>1,498,791.06</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS

(GASB 68)

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TWO (2) FISCAL YEAR *

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0256904111 %	0.0241030000 %
District's proportionate share of the net pension liability (asset)	\$ 4,909,948	\$ 4,512,839
District's covered-employee payroll	\$ 1,542,101	\$ 1,457,609
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	318 %	309 %
Plan fiduciary net position as a percentage of the total pension liability	52.08	48.72

* The amounts presented for each fiscal year were determined as of the fiscal year-end.

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TWO (2) FISCAL YEARS

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 193,572	\$ 198,706
Contributions in relation to the contractually required contribution	<u>\$ 193,572</u>	<u>\$ 198,706</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 1,542,101	\$ 1,457,609
Contributions as a percentage of covered-employee payroll	12.55	13.63

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST TWO (2) FISCAL YEARS

	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.1234879961 %	0.1211042219 %
District's proportionate share of the net pension liability (asset)	None	None
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 62,409,862</u>	<u>\$ 64,726,265</u>
Total	<u>\$ 62,409,862</u>	<u>\$ 64,726,265</u>
District's covered-employee payroll	\$ 12,707,624	\$ 13,198,273
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	None	None
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: Only the last two (2) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE YEAR ENDED JUNE 30, 2015

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 9 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Total Brought Forward (Exh. E-1a)	I.D.E.A. Part B				Title I		Totals 2015
		2014-2015 Regular Program	Regular Program Carryover	2014-2015 Preschool	Preschool Carryover	2014-2015	Carryover	
REVENUES:								
State sources	\$ 82,446.70							\$ 82,446.70
Federal sources	202,955.02	\$ 522,943.95	\$ 17,903.00	\$ 13,983.70	\$ 980.00	\$ 565,547.69	\$ 77,490.00	1,401,803.36
Local sources	14,541.00							14,541.00
Total revenues	299,942.72	522,943.95	17,903.00	13,983.70	980.00	565,547.69	77,490.00	1,498,791.06
EXPENDITURES:								
Instruction:								
Salaries of teachers	100,350.00			12,930.54		382,581.85	10,500.00	506,362.39
Other salaries for instruction	3,540.00	79,408.00						82,948.00
Purchased professional and technical services	68,172.35					7,220.75	271.25	75,664.35
Other purchased services		300,000.00	10,000.00					310,000.00
General supplies	19,330.13	1,339.44	102.00			15,477.34	56,602.21	92,851.12
Textbooks	12,157.85							12,157.85
Total instruction	203,550.33	380,747.44	10,102.00	12,930.54		405,279.94	67,373.46	1,079,983.71
Support services:								
Salaries of other professional staff	34,001.70							34,001.70
Salaries of secretarial and clerical assistants	928.67	24,000.00				29,138.00		54,066.67
Personal services-employee benefits	18,081.78	7,697.01		989.16		65,741.80	1,228.54	93,738.29
Purchased professional/educational services	6,624.00							6,624.00
Purchased professional/technical services	7,620.00	108,999.50	7,000.00			62,095.00	7,700.00	193,414.50
Other purchased services	9,896.35						500.00	10,396.35
Travel	393.71							393.71
Supplies and materials	4,277.13	1,500.00	801.00	64.00	980.00	3,217.01	688.00	11,527.14
Other objects	28.05					75.94		103.99
Total support services	81,851.39	142,196.51	7,801.00	1,053.16	980.00	160,267.75	10,116.54	404,266.35
Facilities acquisition and construction services:								
Instructional equipment	14,541.00							14,541.00
Total facilities acquisition and construction services	14,541.00							14,541.00
Total expenditures	\$ 299,942.72	\$ 522,943.95	\$ 17,903.00	13,983.70	\$ 980.00	\$ 565,547.69	\$ 77,490.00	\$ 1,498,791.06

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Total Brought Forward (Exh. E-1b)	Title II		Title III			Adult Basic Education	Totals Carried Forward 2015
		2014-2015 Part A	Part A Carryover	2014-2015	Carryover	Immigrant		
REVENUES:								
State sources	\$ 82,446.70							\$ 82,446.70
Federal sources	51,768.30	\$ 64,417.58	\$ 8,174.00	\$ 30,015.70	\$ 8,137.95	\$ 2,126.09	\$ 38,315.40	202,955.02
Local sources	14,541.00							14,541.00
Total revenues	148,756.00	64,417.58	8,174.00	30,015.70	8,137.95	2,126.09	38,315.40	299,942.72
EXPENDITURES:								
Instruction:								
Salaries of teachers	1,180.00	51,020.00		26,375.00	2,430.00	1,975.00	17,370.00	100,350.00
Other salaries for instruction							3,540.00	3,540.00
Purchased professional and technical services	67,547.35				625.00			68,172.35
Other purchased services								
General supplies	14,335.42			269.79	4,404.92		320.00	19,330.13
Textbooks	12,157.85							12,157.85
Total instruction	95,220.62	51,020.00		26,644.79	7,459.92	1,975.00	21,230.00	203,550.33
Support services:								
Salaries of other professional staff	19,461.70						14,540.00	34,001.70
Salaries of secretarial and clerical assistants	928.67							928.67
Personal services-employee benefits	1,650.13	11,020.32		2,430.52	284.32	151.09	2,545.40	18,081.78
Purchased professional/educational services	6,624.00							6,624.00
Purchased professional/technical services	7,620.00							7,620.00
Other purchased services	193.00	1,189.50	7,601.51	912.34				9,896.35
Travel					393.71			393.71
Supplies and materials	2,516.88	1,187.76	572.49					4,277.13
Other objects				28.05				28.05
Total support services	38,994.38	13,397.58	8,174.00	3,370.91	678.03	151.09	17,085.40	81,851.39
Facilities acquisition and construction services:								
Instructional equipment	14,541.00							14,541.00
Total facilities acquisition and construction services	14,541.00							14,541.00
Total expenditures	\$ 148,756.00	\$ 64,417.58	\$ 8,174.00	\$ 30,015.70	\$ 8,137.95	\$ 2,126.09	\$ 38,315.40	\$ 299,942.72

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Total Brought Forward (Exh. E-1c)	Project Serv	Race to The Top	Perkins Grant	Nonpublic Technology	Nonpublic Textbooks	Totals Carried Forward 2015
REVENUES:							
State sources	\$ 63,664.85				\$ 6,624.00	\$ 12,157.85	\$ 82,446.70
Federal sources	24,784.68	\$ 193.00	\$ 7,620.00	\$ 19,170.62			51,768.30
Local sources	14,541.00						14,541.00
Total revenues	102,990.53	193.00	7,620.00	19,170.62	6,624.00	\$ 12,157.85	148,756.00
EXPENDITURES:							
Instruction:							
Salaries of teachers	1,180.00						1,180.00
Other salaries for instruction							
Purchased professional and technical services	63,664.85			3,882.50			67,547.35
Other purchased services							
General supplies				14,335.42			14,335.42
Textbooks						12,157.85	12,157.85
Total instruction	64,844.85			18,217.92		12,157.85	95,220.62
Support services:							
Salaries of other professional staff	18,576.70			885.00			19,461.70
Salaries of secretarial and clerical assistants	928.67						928.67
Personal services-employee benefits	1,582.43			67.70			1,650.13
Purchased professional/educational services					6,624.00		6,624.00
Purchased professional/technical services			7,620.00				7,620.00
Other purchased services		193.00					193.00
Travel							
Supplies and materials	2,516.88						2,516.88
Other objects							
Total support services	23,604.68	193.00	7,620.00	952.70	6,624.00		38,994.38
Facilities acquisition and construction services:							
Instructional equipment	14,541.00						14,541.00
Total facilities acquisition and construction services	14,541.00						14,541.00
Total expenditures	\$ 102,990.53	\$ 193.00	\$ 7,620.00	\$ 19,170.62	\$ 6,624.00	\$ 12,157.85	\$ 148,756.00

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	New Jersey Chapter 226	New Jersey Chapter 192 Auxiliary		New Jersey Chapter 193 Handicapped			NJ Achievement Coaches Program Grant	NJSBAIG Buildings Grant	Totals Carried Forward 2015	
	Nonpublic Nursing Services	Nonpublic Comp. Education	Nonpublic E.S.I.	Nonpublic Exam. and Class.	Nonpublic Supplemental Instruction	Nonpublic Home Instruction				Nonpublic Corrective Speech
REVENUES:										
State sources	\$ 19,618.00	\$ 16,463.00	\$ 11,328.00	\$ 3,780.00	\$ 785.00	\$ 8,156.85	\$ 3,534.00		\$ 63,664.85	
Federal sources								\$ 24,784.68	24,784.68	
Local sources								\$ 14,541.00	14,541.00	
Total revenues	19,618.00	16,463.00	11,328.00	3,780.00	785.00	8,156.85	3,534.00	24,784.68	14,541.00	102,990.53
EXPENDITURES:										
Instruction:										
Salaries of teachers								1,180.00	1,180.00	
Other salaries for instruction										
Purchased professional and technical services	19,618.00	16,463.00	11,328.00	3,780.00	785.00	8,156.85	3,534.00		63,664.85	
Other purchased services										
General supplies										
Textbooks										
Total instruction	19,618.00	16,463.00	11,328.00	3,780.00	785.00	8,156.85	3,534.00	1,180.00		64,844.85
Support services:										
Salaries of other professional staff								18,576.70	18,576.70	
Salaries of secretarial and clerical assistants								928.67	928.67	
Personal services-employee benefits								1,582.43	1,582.43	
Purchased professional/educational services										
Purchased professional/technical services										
Other purchased services										
Travel										
Supplies and materials								2,516.88	2,516.88	
Other objects										
Total support services								23,604.68		23,604.68
Facilities acquisition and construction services:										
Instructional equipment								14,541.00	14,541.00	
Total facilities acquisition and construction services								14,541.00		14,541.00
Total expenditures	\$ 19,618.00	\$ 16,463.00	\$ 11,328.00	\$ 3,780.00	\$ 785.00	\$ 8,156.85	\$ 3,534.00	\$ 24,784.68	\$ 14,541.00	\$ 102,990.53

CAPITAL PROJECTS FUND

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Cancelled	Unexpended Balance June 30, 2015
			Prior Years	Current Year		
Various Improvements (2015)						
Roof Replacement - High School	02/10/15	\$ 1,879,660.00		\$ 51,433.03		\$ 1,828,226.97
Roof Replacement - Elementary/Middle School	02/10/15	2,794,723.00		101,970.71		2,692,752.29
Security Upgrades - Elementary/Middle School	02/10/15	328,973.00		18,081.77		310,891.23
Security Upgrades - Primary School	02/10/15	218,755.00		9,491.32		209,263.68
		<u>\$ 5,222,111.00</u>		<u>\$ 180,976.83</u>		<u>\$ 5,041,134.17</u>
Improvements to South River High School (2012)						
Gymnasium Roof Replacement	12/14/10	\$ 240,127.00	\$ 240,121.64		\$ 5.36	
Air Conditioning Upgrades	12/14/10	4,893,543.00	4,884,799.97		8,743.03	
Electrical System Upgrades	12/14/10	327,800.00	327,178.04		621.96	
Gymnasium Upgrades	12/14/10	550,977.00	550,046.08		930.92	
Security Upgrades	12/14/10	168,826.00	168,826.00			
Special Needs Science Lab Alteration	12/14/10	79,187.00	79,074.27		112.73	
Window & Exterior Door Replacement	12/14/10	1,945,245.00	1,941,913.90		3,331.10	
Music Room and Auditorium Upgrades	12/14/10	1,757,127.00	1,753,446.34		3,680.66	
Science Lab Upgrades	12/14/10	1,742,392.00	1,739,485.81		2,906.19	
Library Alteration	12/14/10	568,258.00	566,798.74		1,459.26	
Locker Room Upgrades	12/14/10	822,985.00	822,276.99		708.01	
Technology Infrastructure Upgrades	12/14/10	153,800.00	153,566.17		233.83	
Lighting Upgrades	12/14/10	75,401.00	75,387.01		13.99	
Toilet Room Upgrades	12/14/10	617,873.00	617,056.76		816.24	
Fire Stair Upgrades	12/14/10	40,794.00	40,485.62		308.38	
Improvements to South River Primary School						
Sidewalk Extensions	12/14/10	208,068.00	96,370.08		111,697.92	
		<u>\$ 14,192,403.00</u>	<u>\$ 14,056,833.42</u>		<u>\$ 135,569.58</u>	
		<u>\$ 19,414,514.00</u>	<u>\$ 14,056,833.42</u>	<u>\$ 180,976.83</u>	<u>\$ 135,569.58</u>	<u>\$ 5,041,134.17</u>
				Grant	\$ 68,600.54	
				Debt Service Fund	<u>66,969.04</u>	
					<u>\$ 135,569.58</u>	

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENT TO SOUTH RIVER HIGH SCHOOL - ROOF REPLACEMENT
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 996,674.38		\$ 996,674.38	\$ 996,674.38
Bond proceeds	882,985.62		882,985.62	882,985.62
	<u>1,879,660.00</u>		<u>1,879,660.00</u>	<u>1,879,660.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		\$ 51,433.03	\$ 51,433.03	\$ 149,360.00
Construction services				1,730,300.00
		<u>51,433.03</u>	<u>51,433.03</u>	<u>1,879,660.00</u>
Total expenditures		<u>51,433.03</u>	<u>51,433.03</u>	<u>\$ 1,879,660.00</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 1,879,660.00</u>	<u>\$ (51,433.03)</u>	<u>\$ 1,828,226.97</u>	

Additional project information:

Project Number	4920-050-14-1002
Grant Date	5/1/2015
Bond Authorization Date	2/10/2015
Bonds Authorized	\$ 882,985.62
Bonds Issued	882,985.62
Grant Awarded	996,674.38
Original Authorized Cost	1,879,660.00
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,879,660.00

Percentage Increase over Original Authorized Cost	
Percentage completion	2.74%
Original target completion date	10/1/2015

Memo: Expenditures

Grant Proceeds (K-4)	\$ 27,271.90
Bond Proceeds	24,161.13
	<u>\$ 51,433.03</u>

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT AND BUILDING ENVELOPE UPGRADES - ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 1,481,879.21		\$ 1,481,879.21	\$ 1,481,879.21
Bond proceeds	1,312,714.47		1,312,714.47	1,312,714.47
Local Share	<u>129.32</u>		<u>129.32</u>	<u>129.32</u>
Total revenues	<u>\$ 2,794,723.00</u>		<u>\$ 2,794,723.00</u>	<u>\$ 2,794,723.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		\$ 101,970.71	\$ 101,970.71	\$ 223,000.00
Construction services				<u>2,571,723.00</u>
Total expenditures		<u>\$ 101,970.71</u>	<u>\$ 101,970.71</u>	<u>\$ 2,794,723.00</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 2,794,723.00</u>	<u>\$ (101,970.71)</u>	<u>\$ 2,692,752.29</u>	
Additional project information:				
Project Number	4920-055-14-1004			
Grant Date	5/1/2015			
Bond Authorization Date	2/10/2015			
Bonds Authorized	\$ 1,312,714.47			
Bonds Issued	1,312,714.47			
Grant Awarded	1,481,879.21			
Original Authorized Cost	2,794,593.68			
Additional Authorized Cost	129.32			
Revised Authorized Cost	\$ 2,794,723.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	3.65%			
Original target completion date	10/1/2015			
Memo: Expenditures				
Grant Proceeds (K-4)	\$ 54,069.10			
Bond Proceeds	<u>47,901.61</u>			
	<u>\$ 101,970.71</u>			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - ELEMENTARY/MIDDLE SCHOOL
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 174,435.00		\$ 174,435.00	\$ 174,435.00
Bond proceeds	154,538.00		154,538.00	154,538.00
	<u>328,973.00</u>		<u>328,973.00</u>	<u>328,973.00</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		\$ 18,081.77	\$ 18,081.77	36,469.25
Construction services				292,503.75
		<u>18,081.77</u>	<u>18,081.77</u>	<u>328,973.00</u>
Total expenditures		<u>18,081.77</u>	<u>18,081.77</u>	<u>328,973.00</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 328,973.00</u>	<u>\$ (18,081.77)</u>	<u>\$ 310,891.23</u>	
Additional project information:				
Project Number	4920-055-14-G2VX			
Grant Date	5/1/2015			
Bond Authorization Date	2/10/2015			
Bonds Authorized	\$ 154,538.00			
Bonds Issued	154,538.00			
Grant Awarded	174,435.00			
Original Authorized Cost	328,973.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 328,973.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	5.50%			
Original target completion date	10/1/2016			
Memo: Expenditures				
Grant Proceeds (K-4)	\$ 9,587.70			
Bond Proceeds	8,494.07			
	<u>\$ 18,081.77</u>			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - PRIMARY SCHOOL
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 115,993.09		\$ 115,993.09	\$ 115,993.09
Bond proceeds	102,761.91		102,761.91	102,761.91
Total revenues	\$ 218,755.00		\$ 218,755.00	\$ 218,755.00
Expenditures and Other Financing Uses				
Purchased professional and technical services		\$ 9,491.32	\$ 9,491.32	\$ 25,375.00
Construction services				193,380.00
Total expenditures		\$ 9,491.32	\$ 9,491.32	\$ 218,755.00
Excess (deficiency) of revenues over/(under) expenditures	\$ 218,755.00	\$ (9,491.32)	\$ 209,263.68	
Additional project information:				
Project Number	4920-070-14-1009			
Grant Date	5/1/2015			
Bond Authorization Date	2/10/2015			
Bonds Authorized	\$ 102,761.91			
Bonds Issued	102,761.91			
Grant Awarded	115,993.09			
Original Authorized Cost	218,755.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 218,755.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	4.34%			
Original target completion date	10/1/2016			
Memo: Expenditures				
Grant Proceeds (K-4)	\$ 5,032.60			
Bond Proceeds	4,458.72			
	\$ 9,491.32			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENT TO SOUTH RIVER HIGH SCHOOL - GYMNASIUM ROOF REPLACEMENT
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 121,592.00		\$ 121,592.00	\$ 121,592.00
Bond proceeds	118,535.00		118,535.00	118,535.00
Total revenues	\$ 240,127.00		\$ 240,127.00	\$ 240,127.00
Expenditures and Other Financing Uses				
Salaries	\$ 466.67		\$ 466.67	\$ 466.67
Purchased professional and technical services	24,082.29		24,082.29	24,082.29
Construction services	215,572.68		215,572.68	215,572.68
Total expenditures	\$ 240,121.64		\$ 240,121.64	\$ 240,121.64
Excess (deficiency) of revenues over/(under) expenditures	\$ 5.36		\$ 5.36	
Less: Transfer to Debt Service/ Cancellation of Grant			5.36	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1001			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 118,535.00			
Bonds Issued	118,535.00			
Grant Awarded	121,592.00			
Original Authorized Cost	240,127.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 240,127.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - AIR CONDITIONING UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 2,477,929.00		\$ 2,477,929.00	\$ 2,477,929.00
Bond proceeds	<u>2,415,614.00</u>		<u>2,415,614.00</u>	<u>2,415,614.00</u>
Total revenues	<u>\$ 4,893,543.00</u>		<u>\$ 4,893,543.00</u>	<u>\$ 4,893,543.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 9,493.49		\$ 9,493.49	\$ 9,493.49
Purchased professional and technical services	493,471.59		493,471.59	493,471.59
Construction services	<u>4,381,834.89</u>		<u>4,381,834.89</u>	<u>4,381,834.89</u>
Total expenditures	<u>\$ 4,884,799.97</u>		<u>\$ 4,884,799.97</u>	<u>\$ 4,884,799.97</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 8,743.03</u>		<u>\$ 8,743.03</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>8,743.03</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1002			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 2,415,614.00			
Bonds Issued	2,415,614.00			
Grant Awarded	2,477,929.00			
Original Authorized Cost	4,893,543.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 4,893,543.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	9/30/2012			

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS OF SOUTH RIVER HIGH SCHOOL - ELECTRICAL SYSTEM UPGRADES
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 165,987.00		\$ 165,987.00	\$ 165,987.00
Bond proceeds	<u>161,813.00</u>		<u>161,813.00</u>	<u>161,813.00</u>
Total revenues	<u>\$ 327,800.00</u>		<u>\$ 327,800.00</u>	<u>\$ 327,800.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 634.89		\$ 634.89	\$ 634.89
Purchased professional and technical services	33,699.23		33,699.23	33,699.23
Construction services	<u>292,843.92</u>		<u>292,843.92</u>	<u>292,843.92</u>
Total expenditures	<u>\$ 327,178.04</u>		<u>\$ 327,178.04</u>	<u>\$ 327,178.04</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 621.96</u>		<u>\$ 621.96</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>621.96</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1003			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 161,813.00			
Bonds Issued	161,813.00			
Grant Awarded	165,987.00			
Original Authorized Cost	327,800.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 327,800.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	9/30/2012			

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - GYMNASIUM UPGRADES
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 278,997.00		\$ 278,997.00	\$ 278,997.00
Transfer from capital reserve	838.00		838.00	838.00
Bond proceeds	<u>271,142.00</u>		<u>271,142.00</u>	<u>271,142.00</u>
Total revenues	<u>\$ 550,977.00</u>		<u>\$ 550,977.00</u>	<u>\$ 550,977.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 1,069.00		\$ 1,069.00	\$ 1,069.00
Purchased professional and technical services	56,040.25		56,040.25	56,040.25
Construction services	<u>492,936.83</u>		<u>492,936.83</u>	<u>492,936.83</u>
Total expenditures	<u>\$ 550,046.08</u>		<u>\$ 550,046.08</u>	<u>\$ 550,046.08</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 930.92</u>		<u>\$ 930.92</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>930.92</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1004			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 271,142.00			
Bonds Issued	271,142.00			
Local Fund	838.00			
Grant Awarded	278,997.00			
Original Authorized Cost	550,977.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 552,519.80			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	9/30/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - SECURITY UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 85,488.00		\$ 85,488.00	\$ 85,488.00
Bond proceeds	83,338.00		83,338.00	83,338.00
	<u>168,826.00</u>		<u>168,826.00</u>	<u>168,826.00</u>
Total revenues	\$ 168,826.00		\$ 168,826.00	\$ 168,826.00
Expenditures and Other Financing Uses				
Salaries	\$ 328.30		\$ 328.30	\$ 328.30
Purchased professional and technical services	16,941.60		16,941.60	16,941.60
Construction services	151,556.10		151,556.10	151,556.10
	<u>168,826.00</u>		<u>168,826.00</u>	<u>168,826.00</u>
Total expenditures	\$ 168,826.00		\$ 168,826.00	\$ 168,826.00
Excess (deficiency) of revenues over/(under) expenditures	<u><u> </u></u>		<u><u> </u></u>	<u><u> </u></u>
Additional project information:				
Project Number	4920-050-10-1005			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 83,338.00			
Bonds Issued	83,338.00			
Grant Awarded	85,488.00			
Original Authorized Cost	168,826.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 168,826.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - SPECIAL NEEDS SCIENCE LAB ALTERATION
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 40,098.00		\$ 40,098.00	\$ 40,098.00
Bond proceeds	39,089.00		39,089.00	39,089.00
Total revenues	\$ 79,187.00		\$ 79,187.00	\$ 79,187.00
Expenditures and Other Financing Uses				
Salaries	\$ 154.65		\$ 154.65	\$ 154.65
Purchased professional and technical services	8,176.11		8,176.11	8,176.11
Construction services	70,743.51		70,743.51	70,743.51
Total expenditures	\$ 79,074.27		\$ 79,074.27	\$ 79,074.27
Excess (deficiency) of revenues over/(under) expenditures	\$ 112.73		\$ 112.73	
Less: Transfer to Debt Service/ Cancellation of Grant			112.73	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1006			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 39,089.00			
Bonds Issued	39,089.00			
Grant Awarded	40,098.00			
Original Authorized Cost	79,187.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 79,187.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - WINDOW & EXTERIOR DOOR REPLACEMENT
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 985,008.00		\$ 985,008.00	\$ 985,008.00
Bond proceeds	960,237.00		960,237.00	960,237.00
Total revenues	\$ 1,945,245.00		\$ 1,945,245.00	\$ 1,945,245.00
Expenditures and Other Financing Uses				
Salaries	\$ 3,774.06		\$ 3,774.06	\$ 3,774.06
Purchased professional and technical services	194,758.51		194,758.51	194,758.51
Construction services	1,743,381.33		1,743,381.33	1,743,381.33
Total expenditures	\$ 1,941,913.90		\$ 1,941,913.90	\$ 1,941,913.90
Excess (deficiency) of revenues over/(under) expenditures	\$ 3,331.10		\$ 3,331.10	
Less: Transfer to Debt Service/ Cancellation of Grant			3,331.10	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1007			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 960,237.00			
Bonds Issued	960,237.00			
Grant Awarded	985,008.00			
Original Authorized Cost	1,945,245.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,945,245.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - MUSIC ROOM AND AUDITORIUM UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 889,751.00		\$ 889,751.00	\$ 889,751.00
Bond proceeds	<u>867,376.00</u>		<u>867,376.00</u>	<u>867,376.00</u>
Total revenues	<u>\$ 1,757,127.00</u>		<u>\$ 1,757,127.00</u>	<u>\$ 1,757,127.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 3,407.78		\$ 3,407.78	\$ 3,407.78
Purchased professional and technical services	175,856.72		175,856.72	175,856.72
Construction services	<u>1,574,181.84</u>		<u>1,574,181.84</u>	<u>1,574,181.84</u>
Total expenditures	<u>\$ 1,753,446.34</u>		<u>\$ 1,753,446.34</u>	<u>\$ 1,753,446.34</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 3,680.66</u>		<u>\$ 3,680.66</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>3,680.66</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1008			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 867,376.00			
Bonds Issued	867,376.00			
Grant Awarded	889,751.00			
Original Authorized Cost	1,757,127.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,757,127.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - SCIENCE LAB UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 882,290.00		\$ 882,290.00	\$ 882,290.00
Bond proceeds	<u>860,102.00</u>		<u>860,102.00</u>	<u>860,102.00</u>
Total revenues	<u>\$ 1,742,392.00</u>		<u>\$ 1,742,392.00</u>	<u>\$ 1,742,392.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 3,380.65		\$ 3,380.65	\$ 3,380.65
Purchased professional and technical services	174,456.59		174,456.59	174,456.59
Construction services	<u>1,561,648.57</u>		<u>1,561,648.57</u>	<u>1,561,648.57</u>
Total expenditures	<u>\$ 1,739,485.81</u>		<u>\$ 1,739,485.81</u>	<u>\$ 1,739,485.81</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 2,906.19</u>		<u>\$ 2,906.19</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>2,906.19</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1009			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 860,102.00			
Bonds Issued	860,102.00			
Grant Awarded	882,290.00			
Original Authorized Cost	1,742,392.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,742,392.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENT OF SOUTH RIVER HIGH SCHOOL - LIBRARY ALTERATION
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 287,747.00		\$ 287,747.00	\$ 287,747.00
Bond proceeds	280,511.00		280,511.00	280,511.00
	<u>568,258.00</u>		<u>568,258.00</u>	<u>568,258.00</u>
Total revenues	\$ 568,258.00		\$ 568,258.00	\$ 568,258.00
Expenditures and Other Financing Uses				
Salaries	\$ 1,101.56		\$ 1,101.56	\$ 1,101.56
Purchased professional and technical services	56,845.39		56,845.39	56,845.39
Construction services	508,851.79		508,851.79	508,851.79
	<u>566,798.74</u>		<u>566,798.74</u>	<u>566,798.74</u>
Total expenditures	\$ 566,798.74		\$ 566,798.74	\$ 566,798.74
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 1,459.26</u>		<u>\$ 1,459.26</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>1,459.26</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1010			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 280,511.00			
Bonds Issued	280,511.00			
Grant Awarded	287,747.00			
Original Authorized Cost	568,258.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 568,258.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS OF SOUTH RIVER HIGH SCHOOL - LOCKER ROOM UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 416,732.00		\$ 416,732.00	\$ 416,732.00
Bond proceeds	406,253.00		406,253.00	406,253.00
	<u>822,985.00</u>		<u>822,985.00</u>	<u>822,985.00</u>
Total revenues	\$ 822,985.00		\$ 822,985.00	\$ 822,985.00
Expenditures and Other Financing Uses				
Salaries	\$ 1,598.07		\$ 1,598.07	\$ 1,598.07
Purchased professional and technical services	83,707.84		83,707.84	83,707.84
Construction services	736,971.08		736,971.08	736,971.08
	<u>822,276.99</u>		<u>822,276.99</u>	<u>822,276.99</u>
Total expenditures	\$ 822,276.99		\$ 822,276.99	\$ 822,276.99
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 708.01</u>		<u>\$ 708.01</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>708.01</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1011			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 406,253.00			
Bonds Issued	406,253.00			
Grant Awarded	416,732.00			
Original Authorized Cost	822,985.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 822,985.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	9/30/2012			

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - TECHNOLOGY INFRASTRUCTURE UPGRADES
FROM INCEPTION TO JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 77,879.00		\$ 77,879.00	\$ 77,879.00
Bond proceeds	<u>75,921.00</u>		<u>75,921.00</u>	<u>75,921.00</u>
Total revenues	<u>\$ 153,800.00</u>		<u>\$ 153,800.00</u>	<u>\$ 153,800.00</u>
Expenditures and Other Financing Uses	\$ 298.45		\$ 298.45	\$ 298.45
Purchased professional and technical services	15,401.46		15,401.46	15,401.46
Construction services	<u>137,866.26</u>		<u>137,866.26</u>	<u>137,866.26</u>
Total expenditures	<u>\$ 153,566.17</u>		<u>\$ 153,566.17</u>	<u>\$ 153,566.17</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 233.83</u>		<u>\$ 233.83</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>233.83</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1012			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 75,921.00			
Bonds Issued	75,921.00			
Grant Awarded	77,879.00			
Original Authorized Cost	153,800.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 153,800.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - LIGHTING UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 38,181.00		\$ 38,181.00	\$ 38,181.00
Bond proceeds	37,220.00		37,220.00	37,220.00
	<u>75,401.00</u>		<u>75,401.00</u>	<u>75,401.00</u>
Total revenues	\$ 75,401.00		\$ 75,401.00	\$ 75,401.00
Expenditures and Other Financing Uses				
Salaries	\$ 146.51		\$ 146.51	\$ 146.51
Purchased professional and technical services	7,560.71		7,560.71	7,560.71
Construction services	67,679.79		67,679.79	67,679.79
	<u>75,387.01</u>		<u>75,387.01</u>	<u>75,387.01</u>
Total expenditures	\$ 75,387.01		\$ 75,387.01	\$ 75,387.01
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 13.99</u>		<u>\$ 13.99</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>13.99</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1013			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 37,220.00			
Bonds Issued	37,220.00			
Grant Awarded	38,181.00			
Original Authorized Cost	75,401.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 75,401.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL -TOILET ROOM UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 312,870.00		\$ 312,870.00	\$ 312,870.00
Bond proceeds	<u>305,003.00</u>		<u>305,003.00</u>	<u>305,003.00</u>
Total revenues	<u>\$ 617,873.00</u>		<u>\$ 617,873.00</u>	<u>\$ 617,873.00</u>
Expenditures and Other Financing Uses				
Salaries	\$ 1,199.23		\$ 1,199.23	\$ 1,199.23
Purchased professional and technical services	62,760.89		62,760.89	62,760.89
Construction services	<u>553,096.64</u>		<u>553,096.64</u>	<u>553,096.64</u>
Total expenditures	<u>\$ 617,056.76</u>		<u>\$ 617,056.76</u>	<u>\$ 617,056.76</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 816.24</u>		<u>\$ 816.24</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>816.24</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1015			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 305,003.00			
Bonds Issued	305,003.00			
Grant Awarded	312,870.00			
Original Authorized Cost	617,873.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 617,873.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	7/30/2012			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER HIGH SCHOOL - FIRE STAIR UPGRADES
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 20,657.00		\$ 20,657.00	\$ 20,657.00
Bond proceeds	<u>20,137.00</u>		<u>20,137.00</u>	<u>20,137.00</u>
Total revenues	<u>\$ 40,794.00</u>		<u>\$ 40,794.00</u>	<u>\$ 40,794.00</u>
Expenditures and Other Financing Uses	\$ 78.68		\$ 78.68	\$ 78.68
Purchased professional and technical services	4,060.39		4,060.39	4,060.39
Construction services	<u>36,346.55</u>		<u>36,346.55</u>	<u>36,346.55</u>
Total expenditures	<u>\$ 40,485.62</u>		<u>\$ 40,485.62</u>	<u>\$ 40,485.62</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 308.38</u>		<u>\$ 308.38</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>308.38</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-050-10-1016			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 20,137.00			
Bonds Issued	20,137.00			
Grant Awarded	20,657.00			
Original Authorized Cost	40,794.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 40,794.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
IMPROVEMENTS TO SOUTH RIVER PRIMARY SCHOOL - SIDEWALK EXTENSION
FROM INCEPTION TO JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State sources - SCC Grant	\$ 105,359.00		\$ 105,359.00	\$ 105,359.00
Bond proceeds	<u>102,709.00</u>		<u>102,709.00</u>	<u>102,709.00</u>
Total revenues	<u>\$ 208,068.00</u>		<u>\$ 208,068.00</u>	<u>\$ 208,068.00</u>
Expenditures and Other Financing Uses				
Salaries				
Purchased professional and technical services	\$ 8,470.08		\$ 8,470.08	\$ 8,470.08
Construction services	<u>87,900.00</u>		<u>87,900.00</u>	<u>84,843.72</u>
Total expenditures	<u>\$ 96,370.08</u>		<u>\$ 96,370.08</u>	<u>\$ 93,313.80</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>\$ 111,697.92</u>		<u>\$ 111,697.92</u>	
Less: Transfer to Debt Service/ Cancellation of Grant			<u>111,697.92</u>	
			<u>None</u>	
Additional project information:				
Project Number	4920-070-10-1014			
Grant Date	7/26/2010			
Bond Authorization Date	12/14/2010			
Bonds Authorized	\$ 102,709.00			
Bonds Issued	102,709.00			
Grant Awarded	105,739.00			
Original Authorized Cost	208,068.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 208,068.00			
Percentage Increase over Original Authorized Cost				
Percentage completion	100.00%			
Original target completion date	8/31/2011			

FIDUCIARY FUNDS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2015</u>
Middle School:				
Cash and Cash Equivalents	\$ <u>13,265.90</u>	\$ <u>51,950.17</u>	\$ <u>45,017.53</u>	\$ <u>20,198.54</u>
Total Middle School	\$ <u>13,265.90</u>	\$ <u>51,950.17</u>	\$ <u>45,017.53</u>	\$ <u>20,198.54</u>
High School:				
Cash and Cash Equivalents	\$ <u>81,599.42</u>	\$ <u>197,865.81</u>	<u>188,516.89</u>	\$ <u>90,948.34</u>
Total High School	\$ <u>81,599.42</u>	\$ <u>197,865.81</u>	\$ <u>188,516.89</u>	\$ <u>90,948.34</u>
Athletic Fund:				
Cash and Cash Equivalents	\$ <u>924.21</u>	\$ <u>1,626.32</u>	<u>2,045.50</u>	\$ <u>505.03</u>
Total Other Accounts	\$ <u>924.21</u>	\$ <u>1,626.32</u>	\$ <u>2,045.50</u>	\$ <u>505.03</u>
Total All Schools	\$ <u><u>95,789.53</u></u>	\$ <u><u>251,442.30</u></u>	\$ <u><u>235,579.92</u></u>	\$ <u><u>111,651.91</u></u>

NONCURRENT DEBT

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
	Date of Original Issue	Amount of Issue	Date	Amount					
Construction of a New K-8 Elementary School	12/1/1995	\$ 18,959,000.00	\$ 12/1/2015	1,234,000.00	5.00%	\$ 2,534,000.00		\$ 1,300,000.00	\$ 1,234,000.00
Improvements to the High School	6/1/2011	\$ 7,005,000.00	6/1/2016	300,000.00	2.25%				
			6/1/2017	550,000.00	2.50%				
			6/1/2018	550,000.00	2.75%				
			6/1/2019	550,000.00	3.00%				
			6/1/2020	550,000.00	3.00%				
			6/1/2021	550,000.00	3.00%				
			6/1/2022	550,000.00	3.25%				
			6/1/2023	550,000.00	3.50%				
			6/1/2024	550,000.00	4.00%				
			6/1/2025	550,000.00	4.00%				
			6/1/2026	550,000.00	4.25%				
6/1/2027	380,000.00	4.25%	\$ 6,455,000.00	275,000.00	\$ 6,180,000.00				
Series 2012 Refunding Bonds	6/1/2012	\$ 3,845,000.00	6/1/2016	350,000.00	3.00%				
			6/1/2017	370,000.00	3.00%				
			6/1/2018	385,000.00	3.00%				
			6/1/2019	385,000.00	4.00%				
			6/1/2020	405,000.00	4.00%				
			6/1/2021	410,000.00	4.00%				
			6/1/2022	425,000.00	4.00%				
			6/1/2023	445,000.00	4.00%				
School Bonds Series 2015 (various repairs)	5/6/2015	\$ 2,453,000.00	6/1/2017	225,000.00	1.50%				
			6/1/2018	225,000.00	1.50%				
			6/1/2019	225,000.00	2.00%				
			6/1/2020	225,000.00	2.00%				
			6/1/2021	225,000.00	2.00%				
			6/1/2022	225,000.00	2.00%				
			6/1/2023	225,000.00	2.25%				
			6/1/2024	428,000.00	2.25%				
			6/1/2025	450,000.00	2.50%				
Total						\$ 12,504,000.00	\$ 2,453,000.00	\$ 1,915,000.00	\$ 13,042,000.00

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE
JUNE 30, 2015
(FOR INFORMATION PURPOSES ONLY)

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding July 1, 2014</u>	<u>Increased by Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
Governmental Fund:						
2011 - Various Equipment	4.87%	\$ 52,895.95	\$ 22,133.67		\$ 10,803.76	\$ 11,329.91
2014 - Various Equipment	1.893%	228,000.00	228,000.00		44,105.47	183,894.53
2015 - Various Equipment	1.690%	220,000.00	<u> </u>	<u>\$ 220,000.00</u>	<u>44,766.06</u>	<u>175,233.94</u>
			<u>\$ 250,133.67</u>	<u>\$ 220,000.00</u>	<u>\$ 99,675.29</u>	<u>\$ 370,458.38</u>
Business-Type Activities:						
2013 - Various Equipment	1.50%	\$ 295,389.00	<u>\$ 234,822.30</u>		<u>\$ 57,392.44</u>	<u>\$ 177,429.86</u>
Total			<u>\$ 484,955.97</u>	<u>\$ 220,000.00</u>	<u>\$ 157,067.73</u>	<u>\$ 547,888.24</u>

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,956,510.00	_____	\$ 1,956,510.00	\$ 1,956,510.00	_____
Total - Local Sources	<u>1,956,510.00</u>	_____	<u>1,956,510.00</u>	<u>1,956,510.00</u>	_____
State Sources:					
Debt Service Aid Type II	\$ 383,476.00	_____	\$ 383,476.00	\$ 383,476.00	_____
Total - State Sources	<u>383,476.00</u>	_____	<u>383,476.00</u>	<u>383,476.00</u>	_____
Total Revenues	<u>\$ 2,339,986.00</u>	_____	<u>\$ 2,339,986.00</u>	<u>\$ 2,339,986.00</u>	_____
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	\$ 431,625.00	_____	\$ 431,625.00	\$ 431,625.00	_____
Redemption of Principal	<u>1,915,000.00</u>	_____	<u>1,915,000.00</u>	<u>1,915,000.00</u>	_____
Total Regular Debt Service	<u>2,346,625.00</u>	_____	<u>2,346,625.00</u>	<u>2,346,625.00</u>	_____
Total Expenditures	<u>\$ 2,346,625.00</u>	_____	<u>\$ 2,346,625.00</u>	<u>\$ 2,346,625.00</u>	_____
Excess of Revenues Over Expenditures	<u>\$ (6,639.00)</u>	_____	<u>\$ (6,639.00)</u>	<u>\$ (6,639.00)</u>	_____
Other Financing Sources:					
Transfer from Capital Projects Fund	_____	_____	_____	\$ 70,328.55	_____
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ (6,639.00)</u>	_____	<u>\$ (6,639.00)</u>	<u>\$ 63,689.55</u>	_____
Fund Balance, July 1	<u>7,639.26</u>	_____	<u>7,639.26</u>	<u>\$ 7,639.26</u>	_____
Fund Balance, June 30	<u>\$ 1,000.26</u>	_____	<u>\$ 1,000.26</u>	<u>\$ 71,328.81</u>	_____

STATISTICAL TABLES (SECTION)
(UNAUDITED)

SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends 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-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity These schedules contain information to help the reader assess the district's outstanding debt.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 & J-15
Operating Information 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-16 to J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

FINANCIAL TRENDS

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,236,110	\$ 12,638,310	\$ 13,131,801	\$ 13,809,519	\$ 14,457,360	\$ 9,169,681	\$ 17,659,301	\$ 23,919,454	\$ 25,708,837	\$ 23,477,421
Restricted	1,025,345	1,402,596	830,938	1,380,109	64,211	5,257,090	3,034,972	867,976	146,522	2,437,798
Unrestricted	(180,463)	(556,346)	(323,488)	(255,513)	244,095	2,205,276	1,224,305	370,670	363,857	(3,252,645)
Total governmental activities net position	\$ 13,080,992	\$ 13,484,560	\$ 13,639,251	\$ 14,934,116	\$ 14,765,666	\$ 16,632,047	\$ 21,918,578	\$ 25,158,101	\$ 26,219,216	\$ 22,662,574
Business-type activities										
Invested in capital assets, net of related debt	\$ 116,164	\$ 115,551	\$ 111,867	\$ 94,340	\$ 89,079	\$ 95,979	\$ 80,263	\$ 67,873	\$ 81,156	\$ 127,822
Unrestricted	45,594	32,867	65,432	97,565	155,875	143,362	172,442	160,263	159,277	170,039
Total business-type activities net position	\$ 161,758	\$ 148,418	\$ 177,299	\$ 191,905	\$ 244,954	\$ 239,341	\$ 252,705	\$ 228,136	\$ 240,433	\$ 297,861
District-wide										
Invested in capital assets	\$ 12,352,274	\$ 12,753,861	\$ 13,243,668	\$ 13,903,859	\$ 14,636,439	\$ 9,265,660	\$ 17,739,564	\$ 23,987,327	\$ 25,789,993	\$ 23,605,243
Restricted	1,025,345	1,402,596	830,938	1,380,109	64,211	5,257,090	3,034,972	867,976	146,522	2,437,798
Unrestricted (Deficit)	(134,870)	(523,479)	(258,056)	(157,947)	399,970	2,348,638	1,396,747	530,933	523,134	(3,082,606)
Total district net position	\$ 13,242,749	\$ 13,632,978	\$ 13,816,550	\$ 15,126,021	\$ 15,100,620	\$ 16,871,388	\$ 22,171,283	\$ 25,386,237	\$ 26,459,649	\$ 22,960,435

Source: CAFR Exhibit A-1.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,117,378	\$ 10,921,317	\$ 11,315,787	\$ 11,023,816	\$ 12,268,142	\$ 11,732,382	\$ 11,551,328	\$ 11,957,961	\$ 12,241,777	\$ 13,420,550
Special education	1,392,826	1,844,808	2,036,733	2,198,879	2,625,934	2,764,415	3,179,808	3,762,012	3,769,556	4,455,953
Other special education	472,822	403,482	466,624	710,525	693,288	530,370	551,501	412,509	464,961	532,647
Other instruction	746,228	789,138	833,832	799,102	832,589	703,749	799,517	822,034	821,453	921,934
Support Services:										
Tuition	1,699,456	1,486,743	1,415,132	1,450,886	1,324,093	1,263,360	1,584,402	1,456,134	1,459,294	1,390,316
Student & instruction related services	3,244,595	3,443,675	3,855,256	3,831,323	4,037,049	3,447,023	3,806,830	4,137,274	3,844,589	4,536,243
School Administrative services	1,075,416	783,045	1,460,438	1,022,191	1,672,687	1,678,713	1,134,349	1,257,402	1,707,108	1,963,236
General administration	1,056,561	1,432,094	940,667	1,229,571	1,103,919	1,054,703	1,832,561	1,729,541	1,429,557	1,620,069
Central Services	257,783	269,002	274,716	296,588						
Plant operations and maintenance	2,596,359	2,654,028	3,050,994	3,071,578	3,381,306	3,159,647	3,118,496	3,619,811	3,788,275	4,482,944
Pupil transportation	1,349,231	1,220,497	1,379,223	1,318,462	1,433,134	1,549,400	1,687,175	1,955,258	1,887,978	2,017,717
Other support services		110,098	139,326	136,889						
Charter Schools		11,106	3,643	-			4,257	41,437	160,833	198,091
Interest on long-term debt	819,779	775,202	709,342	648,023	582,693	531,758	653,737	566,576	513,367	447,051
Total governmental activities expenses	\$ 24,828,434	\$ 26,144,235	\$ 27,881,713	\$ 27,737,835	\$ 29,954,834	\$ 28,415,520	\$ 29,903,961	\$ 31,717,949	\$ 32,088,748	\$ 35,966,751
Business-type activities:										
Food service	\$ 639,503	\$ 676,883	\$ 748,287	\$ 766,623	\$ 778,674	\$ 797,185	\$ 827,557	\$ 859,761	\$ 874,188	\$ 885,215
Total business-type activities expense	\$ 639,503	\$ 676,883	\$ 748,287	\$ 766,623	\$ 778,674	\$ 797,185	\$ 827,557	\$ 859,761	\$ 874,188	\$ 885,215
Total district expenses	\$ 25,467,936	\$ 26,821,118	\$ 28,630,000	\$ 28,504,458	\$ 30,733,508	\$ 29,212,705	\$ 30,731,518	\$ 32,577,710	\$ 32,962,936	\$ 36,871,966

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 2,476,441	\$ 2,478,622	\$ 2,515,990	\$ 2,523,019	\$ 1,974,129	\$ 2,323,220	\$ 2,234,855	\$ 1,835,427	\$ 1,936,324	\$ 1,867,726
Capital grants and contributions										
Total governmental activities program revenues	<u>2,476,441</u>	<u>2,478,622</u>	<u>2,515,990</u>	<u>2,523,019</u>	<u>1,974,129</u>	<u>2,323,220</u>	<u>2,234,855</u>	<u>1,835,427</u>	<u>1,936,324</u>	<u>1,867,726</u>
Business-type activities:										
Charges for services										
Food service	\$ 399,472	\$ 392,838	\$ 423,847	\$ 461,481	\$ 442,057	\$ 420,478	\$ 397,523	\$ 348,677	\$ 381,611	\$ 378,447
Operating grants and contributions	228,894	219,989	229,696	273,224	339,172	411,245	394,050	486,514	504,874	566,508
Total business type activities program revenues	<u>628,366</u>	<u>612,827</u>	<u>653,543</u>	<u>734,705</u>	<u>781,229</u>	<u>831,723</u>	<u>791,572</u>	<u>835,191</u>	<u>886,485</u>	<u>944,955</u>
Total district program revenues	<u>\$ 3,104,807</u>	<u>\$ 3,091,448</u>	<u>\$ 3,169,533</u>	<u>\$ 3,257,724</u>	<u>\$ 2,755,358</u>	<u>\$ 3,154,943</u>	<u>\$ 3,026,427</u>	<u>\$ 2,670,618</u>	<u>\$ 2,822,809</u>	<u>\$ 2,812,681</u>
Net (Expense)/Revenue										
Governmental activities	\$ (22,351,993)	\$ (23,665,613)	\$ (25,365,723)	\$ (25,214,816)	\$ (25,763,707)	\$ (27,631,614)	\$ (27,669,106)	\$ (29,882,523)	\$ (30,152,424)	\$ (34,119,025)
Business-type activities	(11,137)	(64,056)	(94,744)	(31,918)	2,555	34,538	(35,985)	(24,570)	12,297	59,740
Total district-wide net expense	<u>\$ (22,363,130)</u>	<u>\$ (23,729,670)</u>	<u>\$ (25,460,467)</u>	<u>\$ (25,246,734)</u>	<u>\$ (25,761,152)</u>	<u>\$ (27,597,076)</u>	<u>\$ (27,705,091)</u>	<u>\$ (29,907,093)</u>	<u>\$ (30,140,127)</u>	<u>\$ (34,059,285)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,260,421	\$ 10,439,255	\$ 11,306,839	\$ 11,908,593	\$ 11,908,593	\$ 11,908,593	\$ 12,384,937	\$ 12,885,289	\$ 13,394,657	\$ 14,015,039
Taxes levied for debt service	1,429,857	1,466,914	1,528,212	1,485,340	1,475,444	1,516,832	1,578,905	1,925,968	1,978,530	1,956,510
Unrestricted grants and contributions	9,789,688	10,025,457	10,797,584	11,912,306	13,019,525	13,711,598	13,221,029	15,359,724	15,494,146	19,334,056
Restricted grants	2,792,683	90,040	-	-	-	-	392,493	2,255,545	191,453	-
Tuition Received	-	-	-	28,906	68,648	34,640	35,340	118,229	60,266	37,155
Investment earnings	109,732	118,816	168,083	131,285	70,577	19,670	8,245	-	-	-
Miscellaneous income	264,167	65,454	241,094	76,955	502,410	361,831	336,098	577,291	164,350	326,392
Transfers	(10,000)	(10,000)	(10,000)	(30,000)	-	-	-	-	-	-
Write off of fixed assets	-	-	-	-	-	-	-	-	(183,283)	-
Special and extraordinary revenue	26,340	38,835	-	-	13,374	-	-	-	-	42,447
Total governmental activities	<u>\$ 23,662,888</u>	<u>\$ 22,234,772</u>	<u>\$ 24,031,812</u>	<u>\$ 25,513,385</u>	<u>\$ 27,058,571</u>	<u>\$ 27,553,164</u>	<u>\$ 27,957,046</u>	<u>\$ 33,122,046</u>	<u>\$ 31,100,119</u>	<u>\$ 35,711,599</u>
Business-type activities:										
Special and extraordinary revenue				\$ 12,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,311)
Transfers	\$ 10,000	\$ 10,000	\$ 10,000	30,000	-	-	-	-	-	-
Total business-type activities	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 42,463</u>	<u>\$ -</u>	<u>\$ (2,311)</u>				
Total district-wide	<u>\$ 23,672,888</u>	<u>\$ 22,244,772</u>	<u>\$ 24,041,812</u>	<u>\$ 25,555,848</u>	<u>\$ 27,058,571</u>	<u>\$ 27,553,164</u>	<u>\$ 27,957,046</u>	<u>\$ 33,122,046</u>	<u>\$ 31,100,119</u>	<u>\$ 35,709,288</u>
Change in Net Position										
Governmental activities	\$ 1,310,895	\$ (1,430,842)	\$ (1,333,911)	\$ 298,569	\$ 1,294,865	\$ (78,450)	\$ 287,940	\$ 3,239,523	\$ 947,695	\$ 1,592,574
Business-type activities	(1,137)	(54,056)	(84,744)	10,545	2,555	34,538	(35,985)	(24,570)	12,297	57,429
Total district	<u>\$ 1,309,758</u>	<u>\$ (1,484,898)</u>	<u>\$ (1,418,655)</u>	<u>\$ 309,114</u>	<u>\$ 1,297,419</u>	<u>\$ (43,912)</u>	<u>\$ 251,955</u>	<u>\$ 3,214,953</u>	<u>\$ 959,992</u>	<u>\$ 1,650,003</u>

Source: CAFR Exhibit A-2.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 415,527	\$ 370,072	\$ 790	\$ 100,812	\$ 64,211	\$ 154,811	\$ 549,321	\$ 350,081	\$ 146,522	\$ 1,678,482
Unreserved	976,856	1,002,240	1,058,479	1,514,414	761,129	1,172,257	975,784	802,967	1,008,686	
Total general fund	\$ 1,392,383	\$ 1,372,312	\$ 1,059,269	\$ 1,615,226	\$ 825,340	\$ 1,327,068	\$ 1,525,105	\$ 1,153,048	\$ 1,155,208	\$ 1,678,482
All Other Governmental Funds										
Reserved				\$ -	\$ -	\$ 11,896,351	\$ 5,087,289	\$ 317,402	\$ 145,568	\$ 2,463,693
Unreserved, reported in:										
Special revenue fund	\$ (18,231)	\$ (20,275)	\$ (34,358)	-	-	-	-	-	-	-
Capital projects fund				-	-	1,520,987	809,635	200,494		2,616,184
Debt service fund	1	1		-	-	-		26,180	1,000	32,586
Total all other governmental funds	\$ (18,230)	\$ (20,274)	\$ (34,358)	\$ -	\$ -	\$ 13,417,338	\$ 5,896,924	\$ 544,077	\$ 146,568	\$ 5,112,463

Source: CAFR Exhibit B-1.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 11,906,169	\$ 12,835,051	\$ 13,393,933	\$13,384,037	\$13,425,425	\$13,963,842	\$14,538,482	\$14,811,257	\$15,373,187	\$15,971,549
Tuition			28,906	68,648	34,640	35,340	93,655	118,229	60,266	37,155
Interest earnings	118,816	168,083	131,285	70,577		1,111	5,648	3,161	386	756
Miscellaneous	83,613	241,094	76,954	502,911	387,547	345,953	354,343	177,576	163,964	325,636
State sources	11,408,198	12,208,603	13,502,406	13,827,611	12,555,940	13,790,037	14,575,126	15,796,792	15,920,661	16,407,002
Federal sources	1,077,722	1,104,971	932,920	1,165,542	3,472,832	1,702,734	1,665,558	1,402,591	1,509,809	1,631,621
Total revenue	24,594,518	26,557,802	28,066,404	29,019,326	29,876,384	29,839,018	31,232,812	32,309,606	33,028,273	34,373,719
Expenditures										
Instruction										
Regular instruction	7,540,033	7,903,164	8,152,678	8,389,684	9,299,999	9,041,218	8,502,541	8,796,081	9,374,943	9,250,349
Special education instruction	1,015,918	1,290,288	1,414,692	1,638,658	1,933,694	2,070,460	2,288,231	2,700,404	2,728,685	2,886,019
Other special instruction	331,344	282,178	324,111	529,501	510,526	397,231	396,867	296,103	336,579	344,984
Other instruction	535,868	551,870	579,188	595,511	613,105	527,086	575,343	590,063	594,624	597,115
Support Services:										
Tuition	1,699,456	1,486,743	1,415,132	1,450,886	1,324,093	1,263,360	1,584,402	1,456,134	1,459,294	1,390,316
Student & inst. related services	2,380,068	2,522,255	2,813,105	2,912,013	3,048,110	2,640,183	2,792,811	3,039,156	2,978,436	3,093,400
General administration	491,824	466,704	569,454	761,762	812,907	789,940	816,292	902,574	1,046,271	1,049,282
School administrative services	951,195	1,001,455	1,014,382	825,914	1,231,739	1,257,303	1,318,734	1,241,479	1,249,407	1,271,543
Central services	257,783	269,002	274,716	311,417						
Plant operations and maintenance	1,863,644	1,856,003	2,119,149	2,289,015	2,489,937	2,366,477	2,244,109	2,598,331	2,772,582	2,903,500
Pupil transportation	969,225	852,507	958,447	982,550	1,055,336	1,160,452	1,214,113	1,403,501	1,381,783	1,306,829
Other Support Services	77,000	77,000	96,764	102,013						
Employee benefits	5,032,059	5,893,993	6,508,700	5,441,565	6,134,831	5,674,157	6,622,522	7,232,586	6,412,842	7,020,944
Special Schools										
Charter Schools		11,106	3,643				4,257	41,437	160,833	198,091
Capital outlay	159,334	51,460	125,038	215,302	173,633	958,185	7,994,083	5,289,667	756,417	598,934
Debt service:										
Principal	1,130,000	1,280,000	1,280,000	1,330,000	1,450,000	1,500,000	1,530,000	1,890,000	1,890,000	1,915,000
Interest and other charges	830,128	774,190	714,330	653,220	588,360	519,110	670,885	571,863	508,425	431,625
Total expenditures	25,264,878	26,569,918	28,363,529	28,429,012	30,666,270	30,165,162	38,555,190	38,049,379	33,651,121	34,257,931
Excess (Deficiency) of revenues over (under) expenditures	(670,360)	(12,116)	(297,125)	590,314	(789,886)	(326,144)	(7,322,378)	(5,739,773)	(622,848)	115,788

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Proceeds from borrowing										
Capital leases (non-budgeted)						53,646				220,000
Bond Proceeds						7,005,000		14,868	227,500	2,453,000
State Sources						7,186,565				
Grant Awarded										2,768,982
Grant Receivable Cancelled										(68,601)
Transfers in							5,648	3,161	386	
Transfers out	(10,000)	(10,000)	(30,000)				(5,648)	(3,161)	(386)	
Total other financing sources (uses)	(10,000)	(10,000)	(30,000)	-	-	14,245,211	-	14,868	227,500	5,373,381
Net change in fund balances	\$ (680,360)	\$ (22,116)	\$ (327,125)	\$ 590,314	\$ (789,886)	\$ 13,919,066	\$ (7,322,378)	\$ (5,724,905)	\$ (395,348)	\$ 5,489,169
Debt service as a percentage of noncapital expenditures	7.81%	7.75%	7.06%	7.03%	6.68%	6.91%	7.20%	7.51%	7.29%	6.97%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Athletic Events</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Annual Totals</u>
2006	\$ 115,303	\$ 40,925	\$ 5,631	\$ 18,899	\$ 18,158	\$ 198,916
2007	168,083	98,995	8,350	128,228	3,864	407,520
2008	131,285	64,586	6,657	5,711	28,906	237,145
2009	70,577	43,877	5,220	453,314	-	572,988
2010	19,310	67,856	5,836	253,858	34,640	381,500
2011	42,091	9,660	4,903	279,472	35,340	371,466
2012	5,887	145,371	5,262	193,140	93,655	443,315
2013	6,197	174,540	-	-	118,229	298,966
2014	2,400	41,586	5,026	114,953	60,266	224,231
2015	1,978	73,430	6,024	229,663	37,155	348,250

Source: District records

REVENUE CAPACITY

**BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2006	3,118,900	366,449,200	-	-	26,745,200	19,491,400	9,726,700	425,531,400	329,896	48,010,000	473,871,296	1,384,822,301	3.015
2007	3,317,000	367,922,900	-	-	25,623,500	19,514,000	9,644,200	426,021,600	293,382	47,862,000	474,176,982	1,602,062,347	3.144
2008	3,482,800	368,031,400	-	-	25,641,000	19,514,000	9,675,200	426,344,400	284,126	50,738,800	477,367,326	1,719,884,764	3.136
2009	3,372,100	368,722,400	-	-	25,533,400	19,303,000	9,572,300	426,503,200	308,699	50,705,400	477,517,299	1,676,492,016	3.145
2010	3,001,300	368,742,000	-	-	25,338,600	19,287,800	8,906,300	425,276,000	318,179	50,809,400	476,403,579	1,620,353,673	3.281
2011	3,008,200	367,827,300	-	-	25,293,500	17,614,100	8,749,400	422,492,500	272,585	50,860,900	473,625,985	1,559,875,073	3.439
2012	3,024,600	366,234,400	-	-	25,329,600	17,585,400	8,633,700	420,807,700	293,382	50,654,200	471,755,282	1,441,461,958	3.517
2013	3,031,600	360,459,700	-	-	24,176,900	17,289,900	8,392,700	413,350,800	287,694	50,529,600	464,168,094	1,331,956,265	3.717
2014	2,926,800	360,673,400	-	-	24,320,900	17,247,100	8,774,700	413,942,900	198,325	97,657,100	511,798,325	1,319,732,478	3.857
2015	2,965,000	358,560,500	-	-	24,954,400	17,237,400	8,774,700	412,492,000	-	49,583,200	462,075,200	1,293,849,676	3.980

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 Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Borough of South River School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Municipality of South River	County of Middlesex	
2006	2.657	0.358	3.015	1.548	0.967	5.530
2007	2.795	0.349	3.144	1.626	1.080	5.850
2008	2.791	0.345	3.136	1.943	1.198	6.277
2009	2.790	0.355	3.145	1.938	1.166	6.249
2010	2.910	0.370	3.281	1.987	1.133	6.401
2011	2.988	0.451	3.439	1.986	1.241	6.666
2012	3.060	0.447	3.517	1.978	1.221	6.716
2013	3.238	0.479	3.717	1.962	1.231	6.910
2014	3.385	0.472	3.857	1.994	1.261	7.112
2015	3.463	0.377	3.980	2.057	1.248	7.285

Source: 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 prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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.

**BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN (10) YEARS AGO
 (UNAUDITED)**

	2015				2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Lit Industrial LP	\$ 7,266,200	1	1.76%	Lit Northend LLC	\$ 13,980,000	1	3.29%
Lit Northend LLC	4,942,500	2	1.20%	Leonardine Associates LLC	2,500,000	2	0.59%
Lighthouse South River LG LLC	2,350,000	3	0.57%	StoneHurst Court Associates Ltd.	1,716,000	3	0.40%
Emess Apts Ltd.	1,571,400	4	0.38%	425 Whitehead LLC	980,000	4	0.23%
East Coast Village Green Apts	1,200,000	5	0.29%	Sherwood Court	765,000	5	0.18%
425 Whitehead Ave LLC	980,000	6	0.24%	Felmore Associates	700,000	6	0.16%
Zifovski, Zlatan & Luba	846,700	7	0.21%	Bram M&C	662,400	7	0.16%
Felmore Associates	700,000	8	0.17%	Diosnorides Diaz	630,000	8	0.15%
Sherwood Court	633,100	9	0.15%	Patrick and Barbara Dinicola	622,500	9	0.15%
DiNicolas	622,500	10	0.15%	396 Whitehead Associates LLC	577,900	10	0.14%
Total	\$ 21,112,400		5.12%		\$ 23,133,800		5.44%
Total Assessed Valuation	\$ 412,491,700				\$ 425,531,400		

Source: Municipal Tax Assessor

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	23,581,042	23,066,975	97.82%	471,025
2007	24,964,955	24,490,621	98.10%	481,303
2008	26,615,159	25,925,826	97.41%	693,199
2009	26,694,630	26,139,382	97.92%	517,149
2010	27,258,682	26,541,779	97.37%	632,115
2011	28,202,908	27,520,398	97.58%	498,818
2012	28,288,692	27,553,186	97.40%	569,445
2013	28,611,549	27,553,240	97.40%	633,864
2014	29,524,807	28,976,314	97.49%	625,000
2015	29,617,145	N/A	97.36% <i>Anticipated</i>	500,000 <i>Anticipated</i>

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

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

DEBT CAPACITY

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2006	17,757,000	-	-	-	-	17,757,000	4.89%	1,159	
2007	16,477,000	-	-	-	-	16,477,000	4.55%	1,075	
2008	15,197,000	-	-	-	-	15,197,000	4.20%	992	
2009	13,867,000	-	-	-	-	13,867,000	3.82%	905	
2010	12,417,000	-	-	-	-	12,417,000	3.42%	810	
2011	17,922,000	-	-	-	-	17,922,000	4.72%	1,120	
2012	16,284,000	-	42,257	-	-	16,326,257	4.19%	1,123	
2013	14,394,000	-	32,436	-	295,389	14,721,825	3.26%	920	
2014	12,504,000	-	250,134	-	234,822	12,988,956	2.53%	811	
2015	13,042,000	-	370,458	-	177,430	13,589,888	3.02%	849	

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

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

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2006	17,757,000	-	17,757,000	3.74%	1,159
2007	16,477,000	-	16,477,000	3.47%	1,075
2008	15,197,000	-	15,197,000	3.18%	992
2009	13,867,000	-	13,867,000	2.90%	905
2010	12,417,000	-	12,417,000	2.60%	810
2011	17,922,000	-	17,922,000	3.78%	1,120
2012	16,284,000	-	16,284,000	2.68%	1,017
2013	14,394,000	-	14,394,000	3.10%	899
2014	12,504,000	-	12,504,000	2.44%	781
2015	13,042,000	-	13,042,000	3.31%	815

Notes:

- Details regarding the district's outstanding debt can be found in the notes to the financial statements.
- a** See Exhibit NJ J-6 for property tax data.
- b** Population data can be found in Exhibit NJ J-14.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of South River	\$ 31,218,033	100.000%	\$ 31,218,033
County of Middlesex	599,893,259	1.3182%	7,907,793
Other debt			<u>None</u>
Subtotal, overlapping debt			39,125,826
Borough of South River District Direct Debt:			
Issued and outstanding - Bonds	\$ 13,042,000	100%	
Authorized but not Issued - Bonds and Notes	<u>\$ 2,768,982</u>	100%	<u>15,810,982</u>
Total direct and overlapping debt			<u><u>\$ 54,936,808</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex 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 South River Borough. 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.

**BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN (10) FISCAL YEARS
 (UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized valuation basis
	2014 \$ 1,292,763,585
	2013 1,311,808,315
	2012 <u>1,349,175,056</u>
	\$ <u>3,953,746,956</u>
Average equalized valuation of taxable property	\$ 1,317,915,652
Debt limit (4 % of average equalization value)	52,716,628 ^a
Total Net Debt Applicable to Limit	<u>15,810,982</u>
Legal debt margin	\$ <u>36,905,644</u>

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 55,767,602	\$ 62,466,019	\$ 66,364,887	\$ 66,687,682	\$ 64,715,983	\$ 61,607,935	\$ 61,607,935	\$ 58,040,039	\$ 54,699,271	\$ 52,716,622
Total net debt applicable to limit	<u>17,757,000</u>	<u>16,477,000</u>	<u>15,197,000</u>	<u>13,867,000</u>	<u>12,417,000</u>	<u>25,108,565</u>	<u>21,136,285</u>	<u>19,305,557</u>	<u>13,000,172</u>	<u>15,810,982</u>
Legal debt margin	<u>\$ 38,010,602</u>	<u>\$ 45,989,019</u>	<u>\$ 51,167,887</u>	<u>\$ 52,820,682</u>	<u>\$ 52,298,983</u>	<u>\$ 36,499,370</u>	<u>\$ 40,471,650</u>	<u>\$ 38,734,482</u>	<u>\$ 41,699,099</u>	<u>\$ 36,905,640</u>
Total net debt applicable to the limit as a percentage of debt limit	31.84%	26.38%	22.90%	20.79%	19.19%	40.76%	34.31%	33.26%	23.77%	29.99%

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2006	15,322	362,886,248	23,684	6.60%
2007	15,322	362,886,248	23,684	6.60%
2008	15,322	362,886,248	23,684	5.80%
2009	15,322	362,886,248	23,684	4.10%
2010	15,322	362,886,248	23,684	11.90%
2011	16,008	451,073,424	28,178	11.90%
2012	16,008	451,073,424	28,178	11.60%
2013	16,008	451,073,424	28,178	11.70%
2014	16,008	451,073,424	28,178	13.40%
2015	16,008	451,073,424	28,178	8.20%

Source:

^a Population information provided by 2000 US Census for 2006-2010 and the 2010 census for 2011-2015.

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

^c Per capita personal income by municipality estimated based upon the 2000 Census for 2006 to 2010 and the 2010 Census for 2011-2015 published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development previous year and annual average

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN (10) YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
South River Board of Education	233	1	0.00%	212	1	0.00%
Borough of South River	103	2	0.00%	205	2	0.00%
U.S. Postal Service	26	3	0.00%	-		0.00%
Wawa	18	4	0.00%	-		0.00%
Rite Aid	9	5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
R&S Strauss			-	180	3	0.00%
Laffin Chevrolet			-	37	4	0.00%
Sunshine Biscuits			-	21	5	0.00%
	<u>389</u>		<u>0.00% (1)</u>	<u>655</u>		<u>0.00%</u>

Source: Borough of South River

(1) Total employment within Municipality not available from authoritative source.

OPERATING INFORMATION

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	143.5	145	145	157	128	128	128	128	131	131
Special education	13	13	11	9	34	34	34	34	38	38
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	31	30	32	32	25	26	26	26	26	26
General administration	3	3	3	3	3	3	3	3	3	3
School administrative services	16	16	16	16	16	16	16	16	16	16
Other administrative services										
Central services	5	5	5	5	5	5	5	5	6	6
Administrative Information Technology										
Plant operations and maintenance	8	8	8	8	8	7	7	7	6	6
Pupil transportation										
Other support services	6	6	6	6	6	6	6	6	6	6
Special Schools	-	-								
Food Service										
Child Care										
Total	<u>225.50</u>	<u>226.00</u>	<u>226.00</u>	<u>236.00</u>	<u>225.00</u>	<u>225.00</u>	<u>225.00</u>	<u>225.00</u>	<u>232.00</u>	<u>232.00</u>

Source: District Personnel Records

**BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 OPERATING STATISTICS
 LAST TEN (10) FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change In Average Daily Enrollment	Student Attendance Percentage
						Primary (K-2) ^e	Elementary (3-5)	Middle School (6-8)	Senior High School				
2006	2,136	23,145,417	10,836	15.67%	183.00	1:20	1:25	1:22	1:18	2124.0	1,983	-3.19%	93.36%
2007	2,161	24,464,268	11,321	4.48%	183.00	1:19	1:23	1:26	1:17	2021.0	2,015	-4.85%	99.70%
2008	2,217	26,244,162	11,838	4.57%	181.00	1:19	1:23	1:26	1:17	2191.0	2,052	8.41%	93.66%
2009	2,264	26,230,490	11,586	-2.13%	181.00	1:21	1:21	1:25	1:17	2239.0	2,117	2.19%	94.55%
2010	2,343	28,454,276	12,144	4.82%	173.00	1:19	1:19	1:17	1:17	2298.0	2,170	2.64%	94.43%
2011	2,336	27,187,867	11,639	-4.16%	173.00	1:19	1:19	1:17	1:17	2341.0	2,205	1.87%	94.19%
2012	2,319	28,360,222	12,230	5.08%	176.00	1:19	1:20	1:17	1:17	2317.0	2,189	-1.03%	94.48%
2013	2,329	30,297,849	13,009	6.37%	176.00	1:19	1:20	1:17	1:17	2338.0	2,202	0.91%	94.18%
2014	2,323	30,496,279	13,128	0.91%	176.00	1:19	1:20	1:17	1:17	2321.0	2,245	-0.73%	96.73%
2015	2,277	31,312,373	13,752	4.75%	176.00	1:18	1:20	1:16	1:17	2280.0	2,151	-1.77%	94.34%

Sources: District records

Note: Enrollment based on June district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

**BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
 COUNTY OF MIDDLESEX
 SCHOOL BUILDING INFORMATION
 LAST TEN (10) FISCAL YEARS
 (UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Primary (2005)</u>										
Square Feet	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350
Capacity (Students)	440	440	440	440	440	440	440	440	440	440
Enrollment	438	484	446	503	474	474	557	555	535	507
<u>Elementary (1997)</u>										
Square Feet	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770
Capacity (Students)	540	540	540	540	540	540	540	540	540	540
Enrollment	538	524	618	580	622	622	622	606	623	616
<u>Middle School (1997)</u>										
Square Feet	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Capacity (Students)	559	559	559	559	559	559	559	559	559	559
Enrollment	548	542	547	564	552	552	497	539	552	542
<u>High School (1957)</u>										
Square Feet	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768
Capacity (Students)	625	625	625	625	625	625	625	625	625	625
Enrollment	600	584	606	617	642	642	643	629	613	611
<u>Other</u>										
Central Administration										
Square Feet	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274
Number of Schools at June 30, 2015										
Primary = 1										
Elementary = 1										
Middle School = 1										
Senior High School = 1										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the end of fiscal year district count.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

11-000-262-xxx

	* School Facilities Project # (s)	High School	Middle School	Elementary School	K-2 Primary School	Administration Office	Total
2006	N/A	\$ 326,913	\$ 280,500	\$ 281,500	\$ 118,000	\$ 11,054	\$ 1,017,967
2007	N/A	303,845	298,843	288,843	140,443	10,907	1,042,881
2008	N/A	384,802	290,127	298,802	165,646	10,500	1,149,877
2009	N/A	306,720	223,881	278,820	219,940	17,564	1,046,925
2010	N/A	241,132	196,719	255,272	181,945	21,214	896,282
2011	N/A	245,000	202,000	207,794	158,048	15,100	827,942
2012	N/A	248,914	198,400	197,850	163,750	14,260	823,174
2013	N/A	324,600	261,000	270,247	210,250	20,198	1,086,295
2014	N/A	249,938	229,762	236,623	98,066	27,455	841,844
2015	N/A	257,256	207,698	206,528	115,288	39,125	825,895
Total School Facilities		<u>\$ 2,889,120</u>	<u>\$ 2,388,930</u>	<u>\$ 2,522,279</u>	<u>\$ 1,571,376</u>	<u>\$ 187,377</u>	<u>\$ 9,559,082</u>

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

Source: District records

BOARD OF EDUCATION
SOUTH RIVER BOROUGH SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
MULTI PERIL PACKAGE POLICY		
PROPERTY		
Blanket Building and Contents	\$ 73,236,061	\$ 5,000
Extra Expense	50,000,000	
Computers and Media	500,000	
ENERGY SYSTEMS		
Boiler and Machinery	Included	
COMMERCIAL LIABILITY		
Bodily Injury/Property Damage	11,000,000	Each occurrence
Products and Completed Operation	11,000,000	
Personal Injury/Advertising Inj.	Statutory	
Medical Expense	10,000	
Employee Benefits Liability	11,000,000	
CRIME		
Money and Securities	50,000	Inside/Outside
Employee Dishonesty	100,000	500
Forgery or Alteration	100,000	1,000
BUSINESS AUTO		
Bodily Injury/Prop Damage Liab.	11,000,000	
Personal Injury Protection	Statutory	
Medical Payments (PIP)	10,000	
Uninsured/Underinsured	1,000,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000
SCHOOL BOARD LEGAL		
Coverage A		
Limit of Liability	11,000,000	
Each Claim	5,000	
Coverage B		
Limit of Liability	300,000	5,000
Each Claim	100,000	

BOARD OF EDUCATION
SOUTH RIVER BOROUGH SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
CATASTROPHE ACCESS PLAN		
Limit of Liability	\$ 50,000,000	
WORKERS COMPENSATION		
Section B	2,000,000	
ENVIRONMENTAL LIABILITY		
Limit of Liability	1,000,000 Each Loss 20,000,000 Aggregate	\$ 25,000
STUDENT ACCIDENT		
Limit of Liability	1,000,000	
Interscholastic Sports	10,000,000	
BONDS		
Board Secretary - Ken Kokoszka	25,000	
Treasurer of School Monies - Joseph Zanga	230,000	

SINGLE AUDIT SECTION

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

Independent Auditors' Report

Honorable President and Members
of the Board of Education
Borough of South River Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with the 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 audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of South River Board of Education, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Borough of South River Board of Education's basic financial statements, and have issued our report thereon dated December 8, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Borough of South River School District's financial statements are free of 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 basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
December 8, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Borough of South River Board of Education
County of Middlesex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of South River Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2015. The Borough of South River School District'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 Borough of South River Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey State Aid/Grant Compliance Supplement*. Those standards, *OMB Circular A-133* and *New Jersey State Aid/Grant Compliance Supplement* require that we plan and perform the audit to obtain reasonable assurance about whether on compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Borough of South River Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
(CONTINUED)**

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 Borough of South River Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of South River 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 Borough of South River 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 Borough of South River 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey State Aid/Grant Compliance Supplement, 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 Borough of South River 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 and 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 non compliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
(CONTINUED)**

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and State
Financial Assistance Required by NJOMB 04-04**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough of South River School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 8, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and NJOMB 04-04 and is not a required part of the basic 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 basic 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

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



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

December 8, 2015
Freehold, New Jersey

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Grant Period	Award Amount	June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment	June 30, 2015		Due to Grantor
				Deferred Revenue	(Accounts Receivable)				Deferred Revenue	(Accounts Receivable)	
General Fund:											
Medical Assistance Program	93.778	7/1/14-6/30/15	\$ 89,291.90			\$ 61,225.95	\$ (89,291.90)			\$ (28,065.95)	
Semi Cost Settlement	93.778	7/1/14-6/30/15	149,012.18			149,012.18	(149,012.18)				
ARRA/SEMI	93.778	7/1/14-6/30/15	16,297.95			16,297.95	(16,297.95)				
Total General Fund						\$ 226,536.08	\$ (254,602.03)			\$ (28,065.95)	
Enterprise Fund:											
U.S. Department of Agriculture											
Passed-Through State Department of Education:											
Food Distribution Program	10.555	7/1/13-6/30/14	\$ 54,659.47	\$ 2,666.79			\$ (2,666.79)				
Food Distribution Program	10.555	7/1/14-6/30/15	59,218.71			\$ 59,218.71	(55,976.40)	\$ 3,242.31			
National School Lunch Program	10.555	7/1/13-6/30/14	404,865.86		\$ (88,057.94)	88,057.94					
National School Lunch Program	10.555	7/1/14-6/30/15	433,125.88			347,509.26	(433,125.88)			\$ (85,616.62)	
School Breakfast Program	10.553	7/1/13-6/30/14	34,355.14		(8,611.78)	8,611.78					
School Breakfast Program	10.553	7/1/14-6/30/15	63,197.85			43,462.49	(63,197.85)			(19,735.36)	
Total Enterprise Fund				\$ 2,666.79	\$ (96,669.72)	\$ 546,860.18	\$ (554,966.92)		\$ 3,242.31	\$ (105,351.98)	

See Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Grant Period	Award Amount	June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment	June 30, 2015		Due to Grantor
				Deferred Revenue	(Accounts Receivable)				Deferred Revenue	(Accounts Receivable)	
Special Revenue Fund:											
U.S. Department of Education:											
Passed-Through State Department of Education:											
Title I, Part A	84.010A	9/1/13-6/30/14	\$ 668,993.00		\$ (176,071.73)	\$ 206,952.00	\$ (77,490.00)	\$ 46,609.73			
Title I, Part A	84.010A	7/1/14-6/30/15	627,337.00			476,601.00	(565,547.69)	(46,609.73)		\$ (135,556.42)	
I.D.E.A. Preschool	84.173A	9/1/13-6/30/14	15,146.00		(2,874.83)	3,003.00	(980.00)	851.83			
I.D.E.A Preschool	84.173A	7/1/14-6/30/15	14,301.00			12,232.00	(13,983.70)	(851.00)		(2,602.70)	
I.D.E.A. Part B	84.027A	7/1/14-6/30/15	541,709.00			467,503.00	(522,943.95)	(598.68)		(54,842.27)	
I.D.E.A. Part B	84.027A	9/1/13-6/30/14	574,548.00		(107,604.32)	126,106.00	(17,903.00)	598.68		(0.00)	
Title II, Part A	84.367A	7/1/14-6/30/15	73,506.00			53,646.00	(64,417.58)	(3,302.86)		(14,074.44)	
Title II, Part A	84.367A	9/1/13-6/30/14	70,435.00		(10,714.86)	15,586.00	(8,174.00)	3,302.86			
Title III	84.365A	7/1/14-6/30/15	39,141.00			24,957.00	(30,015.70)	(1,871.16)		(6,929.86)	
Title III	84.365A	9/1/13-6/30/14	34,510.00		(3,430.21)	9,697.00	(8,137.95)	1,871.16		(0.00)	
Title III Immigrant	84.365A	7/1/14-6/30/15	5,697.00			2,126.00	(2,126.09)	0.09		(0.00)	
Project Serv	97.036	9/1/14-6/30/15	2,018.00			193.00	(193.00)				
Race to The Top	84.413A	9/1/14-6/30/15	7,620.00			7,620.00	(7,620.00)				
NJ Achievement Coaches	84.413A	2/1/15-8/31/15	67,890.00				(24,784.68)			(24,784.68)	
Perkins Grant	84.048	7/1/13-6/30/14	14,922.00		(3,731.00)	3,731.00					
Perkins Grant	84.048	7/1/14-6/30/15	19,170.62			10,012.00	(19,170.62)	(0.08)		(9,158.70)	
Adult Basic Education	84.002A	9/1/13-6/30/14	65,306.40		(22,684.40)	22,680.00		4.40		(0.00)	
Adult Basic Education	84.002A	9/1/14-6/30/15	38,315.40			20,145.00	(38,315.40)			(18,170.40)	
Total Special Revenue Fund					\$ (927,111.35)	\$ 1,462,790.00	\$ (1,401,803.36)	\$ 5.24		\$ (266,119.47)	
Total Federal Financial Assistance					\$ 2,666.79	\$ (423,781.07)	\$ 2,236,186.26	\$ (2,211,372.31)	\$ 5.24	\$ 3,242.31	\$ (399,537.40)

See Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance, June 30, 2015			MEMO	
				Due to Grantor	Deferred Revenue	(Accounts Receivable)				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Categorical Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 1,432,582.00				\$ 1,432,582.00	\$ (1,432,852.00)				\$ (140,429.00)	\$ (1,432,582.00)	
Categorical Security Aid	15-495-034-5120-084	7/1/14-6/30/15	274,755.00				274,755.00	(274,755.00)				(26,933.00)	(274,755.00)	
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	10,551,002.00				10,551,002.00	(10,551,002.00)				(1,034,266.00)	(10,551,002.00)	
Categorical Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	99,861.00				99,861.00	(99,861.00)				(9,789.00)	(99,861.00)	
Educational Adequacy Aid	14-495-034-5120-083	7/1/14-6/30/15	500,000.00				500,000.00	(500,000.00)				(49,013.00)	(500,000.00)	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	23,460.00				23,460.00	(23,460.00)				(2,300.00)	(23,460.00)	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	23,460.00				23,460.00	(23,460.00)				(2,300.00)	(23,460.00)	
Extraordinary Aid	14-100-034-5120-473	7/1/14-6/30/15	304,053.00			\$ (304,053.00)	304,053.00							
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	299,012.00					(299,012.00)		\$ (299,012.00)			(299,012.00)	
Nonpublic Transportation	13-495-034-5120-014	7/1/14-6/30/15	23,380.00					(23,380.00)		(23,380.00)			(23,380.00)	
Nonpublic Transportation	14-495-034-5120-014	7/1/13-6/30/14	22,374.00			(22,374.00)	22,374.00							
Reimbursed T.P.A.F. Social Security Contribution	15-495-034-5095-002	7/1/14-6/30/15	950,108.93				903,182.79	(950,108.93)			(48,926.14)		(950,108.93)	
Reimbursed T.P.A.F. Social Security Contribution	14-495-034-5095-002	7/1/13-6/30/14	947,413.30			(47,318.80)	47,318.80							
Total General Fund						\$ (373,745.80)	\$ 14,182,048.59	\$ (14,177,890.93)			\$ (369,318.14)		\$ (1,265,030.00)	\$ (14,177,620.93)
Enterprise Fund:														
National School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	\$ 10,993.80			\$ (2,854.80)	\$ 2,854.80							
National School Lunch Program	13-100-010-3350-023	7/1/14-6/30/15	10,965.27				8,814.42	(10,965.27)		\$ (2,150.85)			(10,965.27)	
Total Enterprise Fund						\$ (2,854.80)	\$ 11,669.22	\$ (10,965.27)			\$ (2,150.85)		\$ (10,965.27)	

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance, June 30, 2015			MEMO	
				Due to Grantor	Deferred Revenue	(Accounts Receivable)				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:														
NJSDA ROD Grant														
Improvement to High School:														
Gymnasium Roof Replacement	4920-050-10-1001	7/26/10-9/30/12	\$ 121,592.00		\$ (5,063.10)		\$ 5,232.63	\$ (405.84)	\$ (236.31)					
Air Conditioning Upgrades	4920-050-10-1002	7/26/10-9/30/12	2,477,929.00		(151,727.15)		155,176.03	(8,256.17)	(4,807.29)					
Electrical System Upgrades	4920-050-10-1003	7/26/10-9/30/12	165,987.00		(7,178.61)		7,409.27	(805.79)	(575.13)					
Gymnasium Upgrades	4920-050-10-1004	7/26/10-9/30/12	278,997.00		(13,949.72)		13,473.78	471.82	(4.12)					
Security Upgrades	4920-050-10-1005	7/26/10-9/30/12	85,488.00		(3,610.37)		3,693.33	(285.51)	(202.55)					
Special Population Science Lab Alteration	4920-050-10-1006	7/26/10-9/30/12	40,098.00		(649.41)		1,747.01	(1,097.60)	(0.00)					
Window & Exterior Door Replacement	4920-050-10-1007	7/26/10-9/30/12	985,008.00		(57,471.12)		58,842.16	(3,282.15)	(1,911.11)					
Music Room and Auditorium Upgrades	4920-050-10-1008	7/26/10-9/30/12	889,751.00		(51,434.78)		52,672.77	(2,963.61)	(1,725.62)					
Science Lab Upgrades	4920-050-10-1009	7/26/10-9/30/12	882,290.00		(50,987.64)		52,215.77	(2,940.03)	(1,711.90)					
Library Alteration	4920-050-10-1010	7/26/10-9/30/12	287,747.00		(13,703.88)		15,567.34	(7,280.96)	(5,417.50)					
Locker Room Upgrades	4920-050-10-1011	7/26/10-9/30/12	416,732.00		(21,610.87)		22,191.42	(1,389.78)	(809.23)					
Technology Infrastructure Upgrades	4920-050-10-1012	7/26/10-9/30/12	77,879.00		(778.71)		3,235.26	(2,607.68)	(151.13)					
Lighting Upgrades	4920-050-10-1013	7/26/10-9/30/12	38,181.00		(309.47)		1,636.45	(1,401.16)	(74.18)					
Toilet Room Upgrades	4920-050-10-1015	7/26/10-9/30/12	312,870.00		(16,493.72)		13,949.85	412.82	(2,131.05)					
Fire Stair Upgrades	4920-050-10-1016	7/26/10-9/30/12	20,657.00		(85.67)		733.30	(687.47)	(39.84)					
Roof Replacement:														
High School	4920-050-14-1002	5/1/15-11/1/16	966,674.38					(27,271.90)		(27,271.90)			\$ (27,271.90)	
Elementary/Middle School	4920-050-14-1004	5/1/15-11/1/16	1,481,879.21					(54,069.10)		(54,069.10)			(54,069.10)	
Security Upgrades:														
Elementary/Middle School	4920-055-14-G2VX	5/1/15-11/1/16	174,735.00					(9,587.70)		(9,587.70)			(9,587.70)	
Primary School	4920-070-14-1009	5/1/15-11/1/16	115,993.09					(5,032.60)		(5,032.60)			(5,032.60)	
Total Capital Projects Fund					\$ (395,054.22)		\$ 407,776.37	\$ (95,961.30)	\$ (32,519.11)	\$ (115,758.26)			\$ (95,961.30)	
Debt Service Fund:														
Debt Service Aid Type II														
Debt Service Aid Type II	15-100-034-5120-125	7/1/14-6/30/15	\$ 383,476.00				\$ 383,476.00	\$ (383,476.00)					\$ (383,476.00)	
Total Debt Service Fund							\$ 383,476.00	\$ (383,476.00)					\$ (383,476.00)	

See Notes to Schedules of Financial Assistance

**BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance, June 30, 2015			MEMO	
				Due to Grantor	Deferred Revenue	(Accounts Receivable)				Deferred Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	\$ 13,329.00	\$ 60.00				\$ (60.00)						
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	12,333.00			\$ 12,333.00	\$ (12,158.00)			\$ 175.00			\$ (12,158.00)	
Nonpublic Nursing	14-100-034-5120-070	7/1/13-6/30/14	18,760.00	4.00				(4.00)						
Nonpublic Nursing	15-100-034-5120-070	7/1/14-6/30/15	19,634.00			19,634.00	(19,618.00)			16.00			(19,618.00)	
Nonpublic Technology	15-100-034-5120-070	7/1/14-6/30/15	6,624.00			6,624.00	(6,624.00)						(6,624.00)	
Nonpublic Technology	14-100-034-5120-070	7/1/13-6/30/14	4,860.00	439.00				(439.00)						
Auxiliary Services:														
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	21,400.00	856.00				(856.00)						
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	17,737.00			17,737.00	(16,463.00)			1,274.00			(16,463.00)	
English as a Second Language	14-100-034-5120-087	7/1/13-6/30/14	26,187.00	12,221.00				(12,221.00)						
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	11,328.00			11,328.00	(11,328.00)						(11,328.00)	
Handicapped Services:														
Supplemental Instruction Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	785.00			785.00	(785.00)						(785.00)	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	6,684.00	4,137.00				(4,137.00)						
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	5,224.00			5,224.00	(3,780.00)			1,444.00			(3,780.00)	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	5,468.00	781.00				(781.00)					(5,468.00)	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	3,534.00			3,534.00	(3,534.00)						(3,534.00)	
Home Instruction	15-100-034-5120-007	7/1/14-6/30/15	8,156.85				(8,156.85)				(8,156.85)		(8,156.85)	
Total Special Revenue Fund			\$ 18,498.00			\$ 77,199.00	\$ (82,446.85)	\$ (18,498.00)		\$ (8,156.85)	\$ 2,909.00		\$ (82,446.85)	
Total State Financial Assistance			\$ 18,498.00		\$ (771,654.82)	\$ 15,062,169.18	\$ (14,750,740.35)	\$ (51,017.11)		\$ (495,384.10)	\$ 2,909.00	\$ (1,265,030.00)	\$ (14,750,470.35)	

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and NJ OMB Circular Letter 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two (2) state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) state aid payments 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.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2015

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a reduction of \$238.00 for the General Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 254,602.03	\$ 15,916,294.93	\$ 16,170,896.96
Special Revenue Fund	1,401,803.36	82,447.20	1,484,250.56
Debt Service Fund		383,476.00	383,476.00
Food Service Fund	<u>555,542.44</u>	<u>10,965.27</u>	<u>566,507.71</u>
	<u>\$ 2,211,947.83</u>	<u>\$ 16,393,183.40</u>	<u>\$ 18,605,131.23</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans outstanding payable to federal or state entities at June 30, 2015.

6. OTHER

The amount reported as TPAF Pension Contributions and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share social security contributions for TPAF members for the year ended June 30, 2015.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 04-04 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
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, dated
December 8, 2015

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported
- Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? yes X no
2. Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
December 8, 2015

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>Child Nutrition Cluster – School Breakfast</u>
<u>10.553</u>	<u>Child Nutrition Cluster – School Lunch</u>
<u>10.555</u>	<u>Child Nutrition Cluster – Food Distribution</u>
<u>84.010A</u>	<u>Title I Part A</u>
<u>84.027A</u>	<u>IDEA Part B</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

FOR THE YEAR ENDED JUNE 30, 2014:

There were no findings for the year ended June 30, 2014.