

**SUSSEX-WANTAGE REGIONAL
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District
Sussex, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

**Sussex-Wantage Regional School District
Board of Education**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Sussex-Wantage Regional School District
Board Office**

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INTRODUCTORY SECTION

BOARD OF EDUCATION
SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

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NANCY SISTO
ADMINISTRATIVE ASSISTANT

November 20, 2015

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
County of Sussex
Sussex, New Jersey

Dear Honorable President and Board Members:

The comprehensive annual financial report of the Sussex-Wantage Regional School 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 Sussex-Wantage Regional School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
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The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an average daily enrollment of 1,155 students, a decrease of 72 students from the previous year's enrollment.

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. Both Wantage Township and Sussex Borough experienced a decline in ratables this past year. The percentage of commercial ratables to the total ratables is considerably less than in most areas in the State of New Jersey. There is no prospect of change neither in this fact, nor in the DE rating of the District.

(3) MAJOR INITIATIVES: The total amount of State Aid for the 2014-2015 school year increased slightly by \$24,520 from the level of the 2013-2014 funding. Despite this, the District was able to maintain class sizes across all grade levels with a decrease in FTEs due to the declining enrollment.

The District continued to provide a continuum of in-house services to students with special needs, continued a pull-out Basic Skills program, added a Gifted and Talented program, and maintained smaller class sizes. Teaming was expanded at the Middle School to all three grades and a new STEM cycle was implemented, with ten new elective course offerings. The District implemented Reading-Writing Workshop in grades 3-8, and piloted the curriculum in grades K-2 for full implementation the following year. Online assessment programs were utilized to build students' basis skills in mathematics and reading. Class sets of Chromebooks and Google Apps for Education were piloted to enhance students' digital literacy and expand online instructional opportunities beyond the classroom walls, with full 1:1 implementation planned for grades 3-8 the following year. Classroom libraries and math manipulatives were purchased to support the changes in the curriculum. A Math coach was added to the faculty to implement benchmark assessments and assist teachers in improving their instructional repertoire and raise performance expectations for their students. The professional development focused on DRA2 reading assessments, Reading-Writing Workshop, CCSS math instructional strategies and benchmarks, and technology to create a blended learning environment. Training was offered through job-embedded workshops on effective instructional and assessment strategies, provided by outside consultants, administrators, the math coach, and teacher colleagues. In-house training was also continued in Crisis Prevention Institute (CPI) to create a safe, humanistic learning environment for at-risk students. Parent workshops were offered to build parents' understanding of the curricular changes.

At the Clifton E. Lawrence School, a new heating system at the front entrance was installed and the pump house for the potable water system was upgraded. In addition, the main building at Lawrence was connected to the Kindergarten wing with a fully enclosed walkway. The faculty room at the Sussex Middle School was renovated, as were students' restrooms at the Middle and Wantage Elementary Schools. At the Wantage School, the roof above the 4th grade wing was also replaced. Security projects were continued at all buildings throughout the District with interior and exterior cameras installed.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The Honorable President and Members of
the Board of Education
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The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system 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 system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

6) 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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
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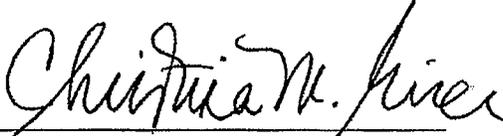
The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

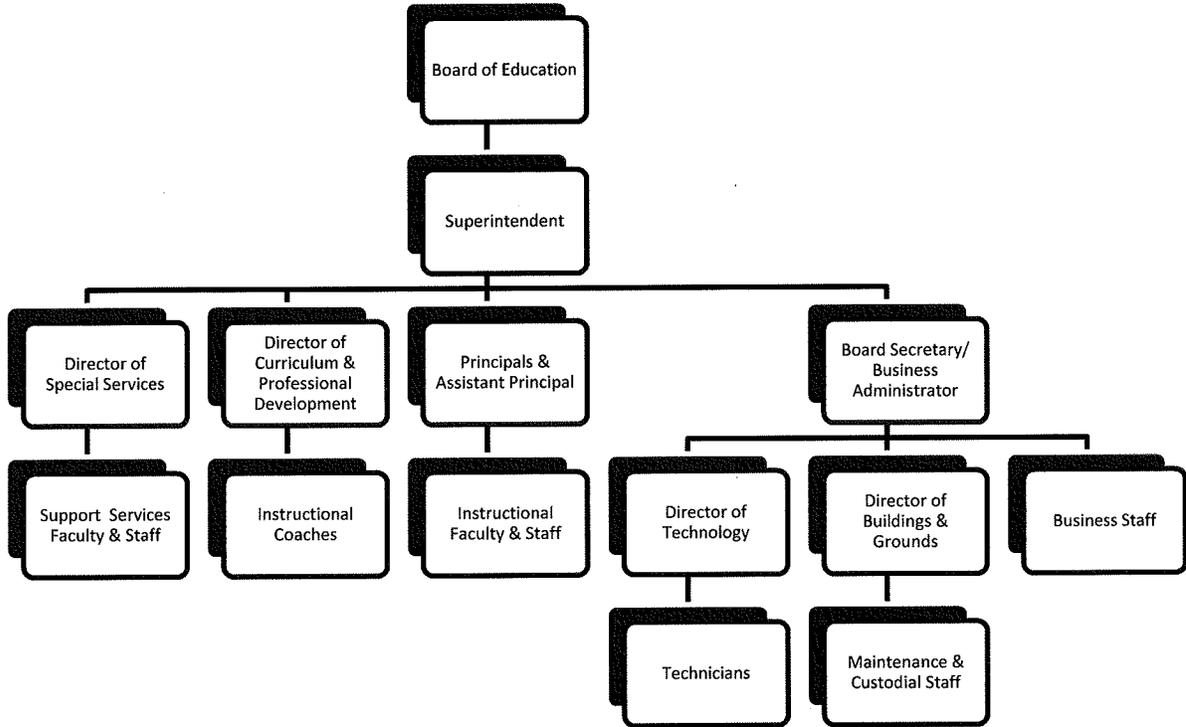


Dr. Jeanne Apryasz
Superintendent of Schools



Christina Riker
Business Administrator/Board Secretary

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
Organizational Chart
(Unit Control)



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

| <u>Members of the Board of Education</u> | | <u>Term Expires</u> |
|------------------------------------------|----------------------------------------|---------------------|
| Thomas Card, President | | 2017 |
| Janice Mezier, Vice President | | 2016 |
| William Bolella | | 2016 |
| Lisa A. Frisbie | | 2015 |
| Robert Heiden | | 2017 |
| Walter Krynicky | | 2016 |
| Robert Maikis | | 2015 |
| Kenneth Nuss | | 2017 |
| Daniel Wask | | 2015 |
| | | |
| <u>Other Officers</u> | <u>Title</u> | |
| Dr. Jeanne Apryas | Superintendent | |
| Christina Riker | Business Administrator/Board Secretary | |
| Grant W. Rome, Treasurer | Treasurer | |

SUSSEX-WANTAGE BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

and

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
7 James Street
Florham Park, NJ 07932

Official Depository

Lakeland Bancorp Inc
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Oak Ridge, NJ 07438-8906

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

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 11 Lawrence Road
 Newton, NJ 07860
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Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Sussex-Wantage Regional School District
 County of Sussex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Sussex-Wantage Regional School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *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 from material misstatement.

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

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

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
Page 2

Opinions

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

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 17 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
Page 3

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

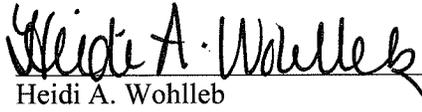
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 20, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

This section of the Sussex-Wantage Regional School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Financial Highlights

- The District’s financial status improved significantly on a district-wide and fund basis.
- Overall revenue was approximately \$29.0 million and overall expenses were approximately \$27.8 million.
- Enrollment in the District decreased in the current year.

Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services and the Care program.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of the School District’s Financial Report**

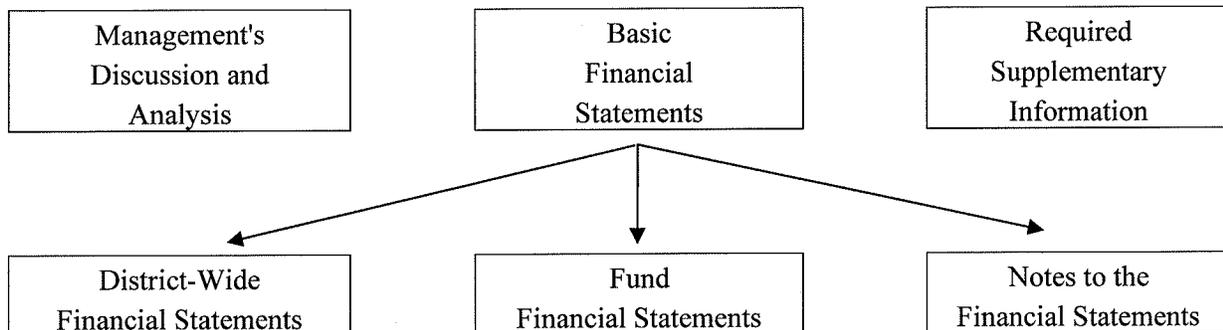


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

| | District-Wide Statements | Fund Financial Statements | | |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance | Activities the District operates similar to private businesses: food services and the Care Program | Instances in which the District administers resources on behalf of someone else, such as student activities monies. |
| Required Financial Statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows | <ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of Asset/Liability Information | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, short-term and long-term | All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of Inflow/Outflow Information | All revenue and expenses during the year, regardless of when cash is received or paid | Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenue and expenses during the year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Care Program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic Financial Statements:

Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$1,196,147. Net position from governmental activities increased by \$1,168,220 and net position from business-type activities increased by \$27,927. Net investment in capital assets increased by \$242,149, restricted net position increased by \$643,954, and unrestricted net position increased by \$310,044.

Figure A-3

| | Condensed Statement of Net Position | | | | | | Percentage Change 2014/2015 |
|-------------------------------|-------------------------------------|--------------------|--------------------------|------------------|-----------------------|--------------------|-----------------------------------|
| | Governmental Activities | | Business-Type Activities | | Total School District | | |
| | 2014/2015 | 2013/2014* | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014* | |
| Assets: | | | | | | | |
| Current and | | | | | | | |
| Other Assets | \$4,275,725 | \$3,384,496 | \$331,297 | \$328,972 | \$4,607,022 | \$3,713,468 | 24.06% |
| Capital Assets, Net | 4,669,704 | 4,429,412 | 44,334 | 46,434 | 4,714,038 | 4,475,846 | 5.32% |
| Total Assets | <u>8,945,429</u> | <u>7,813,908</u> | <u>375,631</u> | <u>375,406</u> | <u>9,321,060</u> | <u>8,189,314</u> | 13.82% |
| Deferred Outflow of Resources | 189,161 | | | | 189,161 | | 100.00% |
| Liabilities: | | | | | | | |
| Long-Term Debt | | | | | | | |
| Outstanding | 6,577,109 | 7,119,988 | | | 6,577,109 | 7,119,988 | -7.62% |
| Other Liabilities | 376,766 | 414,233 | 10,921 | 37,623 | 387,687 | 451,856 | -14.20% |
| Total Liabilities | <u>6,953,875</u> | <u>7,534,221</u> | <u>10,921</u> | <u>37,623</u> | <u>6,964,796</u> | <u>7,571,844</u> | -8.02% |
| Deferred Inflow of Resources | 732,808 | | | | 732,808 | | 100.00% |
| Net Position: | | | | | | | |
| Net Investment in | | | | | | | |
| Capital Assets | 4,669,704 | 4,426,455 | 44,334 | 45,434 | 4,714,038 | 4,471,889 | 5.41% |
| Restricted | 3,429,754 | 2,785,800 | | | 3,429,754 | 2,785,800 | 23.12% |
| Unrestricted/(Deficit) | <u>(6,651,551)</u> | <u>(6,932,568)</u> | <u>320,376</u> | <u>291,349</u> | <u>(6,331,175)</u> | <u>(6,641,219)</u> | 4.67% |
| Total Net Position | <u>\$1,447,907</u> | <u>\$ 279,687</u> | <u>\$364,710</u> | <u>\$336,783</u> | <u>\$1,812,617</u> | <u>\$ 616,470</u> | 194.03% |

* - As Restated

Changes in Net Position. The District's combined net position was \$1,812,617 on June 30, 2015, an increase of \$1,196,147 or 194.03% more than it was the year before (See Figure A-3). Net Investment in Capital Assets increased by \$242,149 due to the retirement of \$2,957 of capital leases, and the \$689,971 of current year capital assets additions offset by the \$450,779 of depreciation expense. Restricted net position increased by \$643,954 due to the increase in excess surplus of \$293,954, the \$750,000 Board transfer to Capital Reserve, and the \$400,000 budgeted withdrawal from Capital Reserve. The unrestricted net position increased by \$310,044 due primarily to the net increase in compensated absences payable of \$28,265, the \$295,123 increase in year-end encumbrances, unexpended budget appropriations and the increase in the net pension liability and related deferred inflows and outflows.

Figure A-4

| Changes in Net Position from Operating Results | | | | | | | |
|------------------------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|-----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business- Type Activities | Governmental Activities | Business- Type Activities | Total School District | Total School District | Percentage Change |
| | 2014/2015 | 2014/2015 | 2013/2014 | 2013/2014 | 2014/2015 | 2013/2014 | 2014/2015 |
| Revenue: | | | | | | | |
| Program Revenue: | | | | | | | |
| Charges for Services | | \$ 313,966 | \$ 115,245 | \$ 319,265 | \$ 313,966 | \$ 434,510 | -27.74% |
| Operating Grants and Contributions | \$ 6,856,688 | 182,707 | 4,248,970 | 186,616 | 7,039,395 | 4,435,586 | 58.70% |
| General Revenue: | | | | | | | |
| Property Taxes | 15,310,804 | | 15,010,592 | | 15,310,804 | 15,010,592 | 2.00% |
| Unrestricted State and Federal Aid | 6,259,289 | | 6,194,580 | | 6,259,289 | 6,194,580 | 1.04% |
| Other | 65,157 | 257 | 175,939 | 201 | 65,414 | 176,140 | -62.86% |
| Total Revenue | <u>28,491,938</u> | <u>496,930</u> | <u>25,745,326</u> | <u>506,082</u> | <u>28,988,868</u> | <u>26,251,408</u> | 10.43% |
| Expenses: | | | | | | | |
| Instruction | 15,979,080 | | 14,248,826 | | 15,979,080 | 14,248,826 | 12.14% |
| Pupil and Instruction Services | 4,057,765 | | 3,535,895 | | 4,057,765 | 3,535,895 | 14.76% |
| Administrative and Business | 2,378,690 | | 2,185,453 | | 2,378,690 | 2,185,453 | 8.84% |
| Maintenance and Operations | 1,923,511 | | 1,767,311 | | 1,923,511 | 1,767,311 | 8.84% |
| Transportation | 1,923,286 | | 1,962,766 | | 1,923,286 | 1,962,766 | -2.01% |
| Other | 1,061,386 | 469,003 | 1,027,212 | 491,305 | 1,530,389 | 1,518,517 | 0.78% |
| Total Expenses | <u>27,323,718</u> | <u>469,003</u> | <u>24,727,463</u> | <u>491,305</u> | <u>27,792,721</u> | <u>25,218,768</u> | 10.21% |
| Increase in Net Position | <u>\$ 1,168,220</u> | <u>\$ 27,927</u> | <u>\$ 1,017,863</u> | <u>\$ 14,777</u> | <u>\$ 1,196,147</u> | <u>\$ 1,032,640</u> | 15.83% |

Revenue Sources. The District's total revenue for the 2014/2015 school year was \$28,988,868. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$15,310,804 of the total, or 52.82 percent.(See Figure A-5). Another 45.87 percent came from state and federal aid and the remainder from tuition, miscellaneous sources and charges for services.

Figure A-5

Sources of Revenue for Fiscal Year 2015

| | Amount | Percentage |
|--------------------------------------|----------------------|----------------|
| Sources of Income: | | |
| State Formula Aid | \$ 7,798,848 | 26.90% |
| Property Taxes | 15,310,804 | 52.82% |
| Federal and State Categorical Grants | 5,499,836 | 18.97% |
| Charges for Services | 313,966 | 1.08% |
| Other | 65,414 | 0.23% |
| | <u>\$ 28,988,868</u> | <u>100.00%</u> |

The total cost of all programs and services was \$27,792,721. The District's expenses are predominantly related to instruction, pupil and instruction services and transportation services for students (79.01 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.56 percent of total costs.

Figure A-6**Expenses for Fiscal Year 2015**

| Expense Category: | <u>Amount</u> | <u>Percentage</u> |
|--------------------------------|----------------------|-------------------|
| Instruction | \$ 15,979,080 | 57.49% |
| Pupil and Instruction Services | 4,057,765 | 14.60% |
| Administrative and Business | 2,378,690 | 8.56% |
| Maintenance and Operations | 1,923,511 | 6.92% |
| Transportation | 1,923,286 | 6.92% |
| Other | 1,530,389 | 5.51% |
| | <u>\$ 27,792,721</u> | <u>100.00%</u> |

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of the following functions:

Figure A-7

| | Net Cost of Governmental Activities | | | |
|--------------------------------|--------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
| | 2014/2015 | 2014/2015 | 2013/2014 | 2013/2014 |
| Instruction | \$ 15,979,080 | \$ 11,126,584 | \$ 14,248,826 | \$11,153,029 |
| Pupil and Instruction Services | 4,057,765 | 3,386,886 | 3,535,895 | 3,235,980 |
| Administrative and Business | 2,378,690 | 2,093,168 | 2,185,453 | 2,109,861 |
| Maintenance and Operations | 1,923,511 | 1,788,046 | 1,767,311 | 1,767,311 |
| Transportation | 1,923,286 | 1,010,960 | 1,962,766 | 1,069,855 |
| Other | 1,061,386 | 1,061,386 | 1,027,212 | 1,027,212 |
| | <u>\$ 27,323,718</u> | <u>\$ 20,467,030</u> | <u>\$ 24,727,463</u> | <u>\$ 20,363,248</u> |

- The cost of all governmental activities this year was \$27.3 million.
- The federal and state governments subsidized certain programs with grants and contributions of \$13.12 million.
- Approximately \$15.31 million of the District's costs were financed by District taxpayers.
- The remainder of the funding came from, miscellaneous revenue and investment earnings.

Business-Type Activities

The District's business-type activities increased by \$27,927. The increase is due primarily to an increase in Care Program fees of approximately \$23,200.

Financial Analysis of the District's Funds

The District's financial position improved significantly primarily due to unexpended budget appropriations in the General Fund. However, as the number of low-income students rises, so do the expenditures related to meeting their additional needs. Difficult economic times have had a direct impact upon the District's revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.

Capital Asset and Debt Administration

Figure A-8

| | Capital Assets (Net of Depreciation) | | | | | | Percentage Change 2014/2015 |
|---------------------------------------------------|--------------------------------------|--------------------|--------------------------|------------------|-----------------------|--------------------|-----------------------------------|
| | Government Activities | | Business-Type Activities | | Total School District | | |
| | 2014/2015 | 2013/2014* | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014* | |
| Construction in Progress | | \$ 13,500 | | | | \$ 13,500 | -100.00% |
| Buildings and Building Improvements | \$4,087,195 | 3,847,880 | | | \$4,087,195 | 3,847,880 | 6.22% |
| Site Improvements | 133,003 | 143,887 | | | 133,003 | 143,887 | -7.56% |
| Machinery and Equipment | 449,506 | 424,145 | \$ 44,334 | \$ 45,434 | 493,840 | 469,579 | 5.17% |
| Total Capital Assets (Net of Depreciation) | \$4,669,704 | \$4,429,412 | \$ 44,334 | \$ 45,434 | \$4,714,038 | \$4,474,846 | 5.35% |

* - As Restated

During the current fiscal year, the District had capital additions of \$689,971 and depreciated \$450,779 of its capital assets.

Long-term Debt

At year-end, the District had \$6,577,109 in long term debt outstanding – a decrease of \$542,879 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9**Outstanding Long-Term Debt**

| | Total School District | | Percentage Change |
|-----------------------------|-----------------------|---------------------|----------------------|
| | 2014/2015 | 2013/2014* | |
| Net Pension Liability | \$ 6,015,545 | \$ 6,583,732 | -8.63% |
| Other Long-Term Liabilities | 561,564 | 536,256 | 4.72% |
| Other Long-Term Liabilities | <u>\$ 6,577,109</u> | <u>\$ 7,119,988</u> | -7.62% |

* - As Restated

The District continued to pay down its debt, which included retiring \$2,957 capital lease obligations. There was also a net increase of \$28,265 in compensated absences payable. The District's net pension liability decreased \$568,187 or 8.63%.

Factors Bearing on the District's Future

The Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding. The District has maintained programs and class size despite this uncertainty.

The District will continue to look at ways to contain and cut costs in order to keep the School District solvent.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

| | Governmental Activities | Business-type Activities | Total |
|------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 2,718,306 | \$ 305,913 | \$ 3,024,219 |
| Interfund Receivable | 12,986 | | 12,986 |
| Internal Balances | 4,497 | (4,497) | |
| Receivables from State Government | 135,015 | 397 | 135,412 |
| Receivables from Federal Government | 110,540 | 15,651 | 126,191 |
| Receivables from Other Governments | 23,754 | 2,460 | 26,214 |
| Other Accounts Receivable | 17,904 | | 17,904 |
| Prepaid Expense | 2,723 | | 2,723 |
| Inventories | | 11,373 | 11,373 |
| Restricted Assets: | | | |
| Capital Reserve Account - Cash and Cash Equivalents | 1,250,000 | | 1,250,000 |
| Capital Assets, Net: | | | |
| Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment | 4,669,704 | 44,334 | 4,714,038 |
| Total Assets | 8,945,429 | 375,631 | 9,321,060 |
| DEFERRED OUTFLOWS OF RESOURCES: | | | |
| Changes in Assumptions - Pensions | 189,161 | | 189,161 |
| Total Deferred Outflows of Resources | 189,161 | | 189,161 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 102,212 | | 102,212 |
| Interfund Payable | 177,000 | | 177,000 |
| Payable to State Government | 10,096 | | 10,096 |
| Unearned Revenue | 87,458 | 10,921 | 98,379 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 107,909 | | 107,909 |
| Due Beyond One Year | 6,469,200 | | 6,469,200 |
| Total Liabilities | 6,953,875 | 10,921 | 6,964,796 |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| Investment Gains - Pensions | 358,494 | | 358,494 |
| Changes in Proportion - Pensions | 374,314 | | 374,314 |
| Total Deferred Inflows of Resources | 732,808 | | 732,808 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 4,669,704 | 44,334 | 4,714,038 |
| Restricted for: | | | |
| Capital Reserve | 1,250,000 | | 1,250,000 |
| Other Purposes | 2,179,754 | | 2,179,754 |
| Unrestricted/(Deficit) | (6,651,551) | 320,376 | (6,331,175) |
| Total Net Position | \$ 1,447,907 | \$ 364,710 | \$ 1,812,617 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | |
|------------------------------------------|---------------|-------------------------|------------------------------------------|------------------------------------------------------|-----------------------------|----------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 9,386,010 | | \$ 2,183,784 | \$ (7,202,226) | | \$ (7,202,226) |
| Special Education | 6,147,885 | | 2,574,486 | (3,573,399) | | (3,573,399) |
| Other Special Instruction | 240,738 | | 36,939 | (203,799) | | (203,799) |
| School Sponsored | 204,447 | | 57,287 | (147,160) | | (147,160) |
| Support Services: | | | | | | |
| Tuition | 543,788 | | | (543,788) | | (543,788) |
| Student and Instruction Related Services | 3,513,977 | | 670,879 | (2,843,098) | | (2,843,098) |
| General Administrative Services | 550,495 | | 35,955 | (514,540) | | (514,540) |
| School Administrative Services | 1,090,413 | | 185,601 | (904,812) | | (904,812) |
| Central Services | 434,597 | | 48,283 | (386,314) | | (386,314) |
| Administrative Information Technology | 303,185 | | 15,683 | (287,502) | | (287,502) |
| Plant Operations and Maintenance | 1,923,511 | | 135,465 | (1,788,046) | | (1,788,046) |
| Pupil Transportation | 1,923,286 | | 912,326 | (1,010,960) | | (1,010,960) |
| Unallocated Depreciation | 283,294 | | | (283,294) | | (283,294) |
| Transfer of Funds to Charter School | 778,092 | | | (778,092) | | (778,092) |
| Total Governmental Activities | 27,323,718 | | 6,856,688 | (20,467,030) | | (20,467,030) |
| Business-Type Activities: | | | | | | |
| Food Service | 346,436 | \$ 175,445 | 182,707 | | \$ 11,716 | 11,716 |
| Care Program | 122,567 | 138,521 | | | 15,954 | 15,954 |
| Total Business-Type Activities | 469,003 | 313,966 | 182,707 | | 27,670 | 27,670 |
| Total Primary Government | \$ 27,792,721 | \$ 313,966 | \$ 7,039,395 | (20,467,030) | 27,670 | (20,439,360) |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------------|------------------------------------------------------|-----------------------------|---------------|
| | Governmental Activities | Business-type Activities | Total |
| General Revenue: | | | |
| Property Taxes, Levied for General Purposes | \$ 15,310,804 | | \$ 15,310,804 |
| Federal, State and Local Aid not Restricted | 6,259,289 | | 6,259,289 |
| Interest Earnings | | \$ 257 | 257 |
| Miscellaneous Income | 65,157 | | 65,157 |
| | 21,635,250 | 257 | 21,635,507 |
| Change in Net Position | 1,168,220 | 27,927 | 1,196,147 |
| Net Position - Beginning (Restated) | 279,687 | 336,783 | 616,470 |
| Net Position - Ending | \$ 1,447,907 | \$ 364,710 | \$ 1,812,617 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total Governmental Funds |
|--------------------------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$2,669,379 | \$ 21,290 | \$ 27,637 | \$ 2,718,306 |
| Interfund Receivable | 17,483 | | | 17,483 |
| Receivables From State Government | 135,015 | | | 135,015 |
| Receivables From Federal Government | | 110,540 | | 110,540 |
| Receivables From Other Governments | 15,834 | 7,920 | | 23,754 |
| Other Accounts Receivable | 17,904 | | | 17,905 |
| Prepaid Expense | 2,723 | | | 2,723 |
| Restricted Cash and Cash Equivalents | 1,250,000 | | | 1,250,000 |
| Total Assets | <u>\$4,108,338</u> | <u>\$ 139,750</u> | <u>\$ 27,637</u> | <u>\$ 4,275,726</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$ 59,836 | \$ 42,376 | | \$ 102,212 |
| Interfund Payable | 177,000 | | | 177,000 |
| Payable to State Government | 180 | 9,916 | | 10,096 |
| Unearned Revenue | | 87,458 | | 87,458 |
| Total Liabilities | <u>237,016</u> | <u>139,750</u> | | <u>376,766</u> |
| Fund Balances: | | | | |
| Restricted: | | | | |
| Excess Surplus - Restricted for 2016-2017 | 1,183,675 | | | 1,183,675 |
| Excess Surplus - Restricted for 2015-2016 | 996,079 | | | 996,079 |
| Capital Reserve Account | 1,250,000 | | | 1,250,000 |
| Committed: | | | | |
| Other Purposes | | | \$ 27,637 | 27,637 |
| Assigned: | | | | |
| Other Purposes | 441,568 | | | 441,568 |
| Total Fund Balances | <u>3,871,322</u> | | <u>27,637</u> | <u>3,898,959</u> |
| Total Liabilities and Fund Balances | <u>\$4,108,338</u> | <u>\$ 139,750</u> | <u>\$ 27,637</u> | <u>\$ 4,275,725</u> |

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Fund Balances at June 30, 2015 | \$ 3,898,959 |
| Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The Cost of the Assets is \$10,658,007 and the Accumulated Depreciation is \$5,988,303. | 4,669,704 |
| Long-Term Liabilities, Including Leases Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds. | (561,564) |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds. \$ (6,015,545)

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:

| | |
|-----------------------------------|-----------|
| Changes in Assumptions - Pensions | 189,161 |
| Investment Gains - Pensions | (358,494) |
| Changes in Proportions - Pensions | (374,314) |
| | <hr/> |

Net Position of Governmental Activities \$ 1,447,907

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total Governmental Funds |
|------------------------------------------------|-----------------|----------------------------|-----------------------------|--------------------------------|
| REVENUES: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | \$ 15,310,804 | | | \$ 15,310,804 |
| Miscellaneous | 65,157 | | | 65,157 |
| Total - Local Sources | 15,375,961 | | | 15,375,961 |
| State Sources | 9,994,290 | \$ 80,214 | | 10,074,504 |
| Federal Sources | 56,956 | 681,029 | | 737,985 |
| Total Revenues | 25,427,207 | 761,243 | | 26,188,450 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Regular Instruction | 5,601,406 | 228,908 | | 5,830,314 |
| Special Education Instruction | 3,441,315 | 452,921 | | 3,894,236 |
| Other Special Instruction | 182,566 | | | 182,566 |
| School-Sponsored | 93,912 | | | 93,912 |
| Support Services and Undistributed Costs: | | | | |
| Tuition | 543,788 | | | 543,788 |
| Student and Other Instruction Related Services | 2,263,307 | 79,414 | | 2,342,721 |
| General Administrative Services | 466,473 | | | 466,473 |
| School Administrative Services | 689,019 | | | 689,019 |
| Central Services | 299,833 | | | 299,833 |
| Administrative Information Technology | 260,961 | | | 260,961 |
| Plant Operations and Maintenance | 1,552,161 | | | 1,552,161 |
| Student Transportation | 1,620,347 | | | 1,620,347 |
| Unallocated Benefits | 6,021,058 | | | 6,021,058 |
| Capital Outlay | 684,273 | | | 684,273 |
| Transfer of Funds to Charter School | 778,092 | | | 778,092 |
| Total Expenditures | 24,498,511 | 761,243 | | 25,259,754 |
| Excess of Revenue Over Expenditures | 928,696 | | | 928,696 |
| Fund Balance - July 1 | 2,942,626 | | \$ 27,637 | 2,970,263 |
| Fund Balance - June 30 | \$ 3,871,322 | \$ -0- | \$ 27,637 | \$ 3,898,959 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| Total Net Change in Fund Balances - Governmental Funds (from B-2) | | \$ 928,696 |
| Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because: | | |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period. | | |
| | Depreciation Expense | \$ (442,708) |
| | Capital Outlays | <u>683,000</u> |
| | | 240,292 |
| Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. | | 2,957 |
| The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds: | | |
| Change in Net Pension Liability | | 568,187 |
| Deferred Outflows: | | |
| Changes in Assumptions | | 189,161 |
| Deferred Inflows: | | |
| Changes in Proportion | | (374,314) |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | (358,494) |
| In the statement of activities, certain operating expenses, e.g., compensated absences 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 (+). | | <u>(28,265)</u> |
| Change in net position of governmental activities (A-2) | | <u>\$ 1,168,220</u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

| | <u>Business-Type Activities - Enterprise Funds</u> | | |
|----------------------------------------|----------------------------------------------------|-------------------|-------------------|
| | <u>Major Fund</u> | <u>Non-Major</u> | <u>Total</u> |
| | <u>Food Service</u> | <u>Fund</u> | |
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 121,337 | \$ 184,576 | \$ 305,913 |
| Intergovernmental Accounts Receivable: | | | |
| State | 397 | | 397 |
| Federal | 15,651 | | 15,651 |
| Other Accounts Receivable | | 2,460 | 2,460 |
| Inventories | 11,373 | | 11,373 |
| Total Current Assets | <u>148,758</u> | <u>187,036</u> | <u>335,794</u> |
| Non-Current Assets: | | | |
| Capital Assets | 199,654 | | 199,654 |
| Accumulated depreciation | (155,320) | | (155,320) |
| Total Non-Current Assets | <u>44,334</u> | | <u>44,334</u> |
| Total Assets | <u>193,092</u> | <u>187,036</u> | <u>380,128</u> |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Interfund Payable - General Fund | 4,497 | | 4,497 |
| Unearned Revenue | 2,586 | 8,335 | 10,921 |
| Total Current Liabilities | <u>7,083</u> | <u>8,335</u> | <u>15,418</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 44,334 | | 44,334 |
| Unrestricted | 141,675 | 178,701 | 320,376 |
| Total Net Position | <u>\$ 186,009</u> | <u>\$ 178,701</u> | <u>\$ 364,710</u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Business-Type Activities - Enterprise Funds | | |
|-------------------------------------|---------------------------------------------|------------|------------|
| | Major Fund | Non-Major | Total |
| | Food Service | Fund | |
| Operating Revenue: | | | |
| Local Sources: | | | |
| Daily Sales | \$ 175,445 | | \$ 175,445 |
| Child Care Fees | | \$ 138,521 | 138,521 |
| Total Operating Revenue | 175,445 | 138,521 | 313,966 |
| Operating Expenses: | | | |
| Cost of Goods Sold | 175,156 | | 175,156 |
| Salaries | 113,856 | 118,445 | 232,301 |
| Employee Benefits and Payroll Taxes | 27,772 | | 27,772 |
| Purchased Services | 15,087 | 1,373 | 16,460 |
| Supplies and Materials | 6,494 | 2,749 | 9,243 |
| Depreciation | 8,071 | | 8,071 |
| Total Operating Expenses | 346,436 | 122,567 | 469,003 |
| Operating Income/(Loss) | (170,991) | 15,954 | (155,037) |
| Non-Operating Revenue: | | | |
| State Sources: | | | |
| State School Lunch Program | 3,929 | | 3,929 |
| Federal Sources: | | | |
| National School Lunch Program | 132,813 | | 132,813 |
| School Breakfast Program | 21,364 | | 21,364 |
| Food Distribution Program | 24,601 | | 24,601 |
| Local Sources: | | | |
| Interest Revenue | 257 | | 257 |
| Total Non-Operating Revenue | 182,964 | | 182,964 |
| Change in Net Position | 11,973 | 15,954 | 27,927 |
| Net Position - Beginning of Year | 174,036 | 162,747 | 336,783 |
| Net Position - End of Year | \$ 186,009 | \$ 178,701 | \$ 364,710 |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Business-Type Activities - Enterprise Funds | | |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|--------------|
| | Major Fund Food Service | Non-Major Fund | Total |
| Cash Flows for Operating Activities: | | | |
| Receipts from Customers | \$ 175,445 | \$ 134,531 | \$ 309,976 |
| Payments for Salaries, Payroll Taxes and Benefits | (141,628) | (118,445) | (260,073) |
| Payments to Suppliers | (197,583) | (4,122) | (201,705) |
| Net Cash Provided by/(Used for) Operating Activities | (163,766) | 11,964 | (151,802) |
| Cash Flows for Noncapital Financing Activities: | | | |
| Federal and State Sources Received in Food Service Fund | 157,839 | | 157,839 |
| Net Cash Provided by Noncapital Financing Activities | 157,839 | | 157,839 |
| Cash Flows for Capital Financing Activities: | | | |
| Purchase of Capital Assets | (6,971) | | (6,971) |
| Net Cash Used for Capital Financing Activities | (6,971) | | (6,971) |
| Cash Flows from Investing Activities: | | | |
| Interest on Investments | 257 | | 257 |
| Net Cash Provided by Investing Activities | 257 | | 257 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (12,641) | 11,964 | (677) |
| Cash and Cash Equivalents, July 1 | 133,978 | 172,612 | 306,590 |
| Cash and Cash Equivalents, June 30 | \$ 121,337 | \$ 184,576 | \$ 305,913 |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided by/ (Used for) Operating Activities: | | | |
| Operating Income/(Loss) | \$ (170,991) | \$ 15,954 | \$ (155,037) |
| Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities | | | |
| Depreciation | 8,071 | | 8,071 |
| Food Distribution Program | 24,601 | | 24,601 |
| Changes in Assets and Liabilities: | | | |
| (Increase) in Inventory | (2,802) | | (2,802) |
| (Increase) in Other Accounts Receivable | | (1,530) | (1,530) |
| (Decrease) in Accounts Payable | (25,230) | | (25,230) |
| Increase/(Decrease) in Unearned Revenue | 988 | (2,460) | (1,472) |
| Increase in Interfund Payable | 1,597 | | 1,597 |
| Net Cash Provided by/(Used for) Operating Activities | \$ (163,766) | \$ 11,964 | \$ (151,802) |

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,377 and utilized commodities valued at \$24,601 for the fiscal year ended June 30, 2015.

Exhibit B-7

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

| | <u>Agency</u> | <u>Unemployment Compensation Trust</u> |
|---------------------------------------|---------------|------------------------------------------------|
| <u>ASSETS:</u> | | |
| Cash and Cash Equivalents | \$ 788,905 | \$ 61,921 |
| Interfund Receivable - General Fund | | 177,000 |
| | <hr/> | <hr/> |
| Total Assets | 788,905 | 238,921 |
| | <hr/> | <hr/> |
| <u>LIABILITIES:</u> | | |
| Payroll Deductions and Withholdings | 134,984 | |
| Interfund Payable - General Fund | 12,986 | |
| Accrued Salaries and Wages | 545,745 | |
| Due to Student Groups | 95,190 | |
| | <hr/> | <hr/> |
| Total Liabilities | 788,905 | |
| | <hr/> | <hr/> |
| <u>NET POSITION:</u> | | |
| Held in Trust for Unemployment Claims | | 238,921 |
| | <hr/> | <hr/> |
| Total Net Position | \$ -0- | \$ 238,921 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Unemployment Compensation Trust</u> |
|----------------------------------------------------|------------------------------------------------|
| ADDITIONS: | |
| Contributions: | |
| Employer Contributions | \$ 100,000 |
| Employee Contributions | 40,855 |
| Total Contributions | <u>140,855</u> |
| Investment Earnings: | |
| Interest | 108 |
| Net Investment Earnings | <u>108</u> |
| Total Additions | <u>140,963</u> |
| DEDUCTIONS: | |
| Quarterly Contribution Reports/Unemployment Claims | <u>129,989</u> |
| Total Deductions | <u>129,989</u> |
| Change in Net Position | 10,974 |
| Net Position - Beginning of the Year | <u>227,947</u> |
| Net Position - End of the Year | <u><u>\$ 238,921</u></u> |

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include two elementary schools and a middle school located in the Borough of Sussex and the Township of Wantage. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations and its Care Program. These two Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust Fund.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for fiscal year ending June 30, 2015 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the 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 generally accepted accounting principles, with the exception of 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

| | General Fund | Special Revenue Fund |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 25,437,609 | \$ 766,814 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis Does Not: | | |
| Current Year Encumbrances | | (5,571) |
| Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements | 769,494 | |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | (779,896) | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | \$ 25,427,207 | \$ 761,243 |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 24,498,511 | \$ 766,814 |
| 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 the supplies are received for financial reporting purposes: | | |
| Current Year Encumbrances | | (5,571) |
| Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 24,498,511 | \$ 761,243 |

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

New Jersey school districts are limited as to the type 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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

E. Cash and Cash Equivalents and Investments (Cont'd)

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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

I. 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.

J. 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.

Enterprise fund inventories 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, 2015.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

| | <u>Estimated Useful Life</u> |
|---------------------------------|------------------------------|
| Buildings | 40 years |
| Site Improvements | 20 years |
| Furniture and Equipment | 10 to 12 years |
| Computer and Related Technology | 5 years |
| Vehicles | 8 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

L. Long Term Liabilities: (Cont'd)

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was \$545,745.

N. Compensated Absences

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

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$3,871,322 General Fund fund balance at June 30, 2015, \$1,250,000 is restricted in a capital reserve; \$996,079 is restricted as prior year excess surplus which has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; \$1,183,675 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; and \$441,568 is assigned for year-end encumbrances which is \$251,828 less than the actual year-end encumbrances, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2016. Additionally, there is \$22,784 of assigned fund balance which has been appropriated and included as anticipated revenue for the fiscal year end June 30, 2016 and \$505,284 of unassigned fund balance which are not reported on a GAAP basis due to the final two state aid payments.

Capital Projects Fund: The entire \$27,637 fund balance at June 30, 2015 is committed for other purposes.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General 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 year's budget. The District had excess surplus as noted on the prior page.

The following General Fund fund balances are less on a GAAP basis than budgetary basis as of June 30, 2015 as reported in the fund statements (modified accrual basis): unassigned fund balance - \$505,284, assigned fund balance for subsequent year's expenditures - \$22,784 and assigned for year-end encumbrances - \$251,828. P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2015 for the changes in assumptions in pensions.

The District had deferred inflows of resources at June 30, 2015 for the changes in proportion in pension and the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. Deficit Net Position

There is a deficit in unrestricted governmental activities net position in the amount of \$6,651,551. The deficit is primarily due to the committed fund balance of \$27,637 in the Capital Projects Fund and the assigned fund balance for year-end encumbrances of \$441,568 in the General Fund offset by compensated absences payable of \$561,564 as of June 30, 2015 and net pension liability of 6,015,545 as reported in the fund financial statements (modified accrual basis). This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

A fund balance restriction has been established for excess surplus and a capital reserve in the General Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2015 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2015 for year-end encumbrances on a GAAP and budgetary basis and for amounts designated for subsequent year's expenditures on a budgetary basis.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of fiscal year end.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: Cont'd)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and Care Program fees. Operating expenses are necessary costs incurred to provide the service that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan 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, and

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 Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

Investments: (Cont'd)

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; and
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

| | <u>Cash and Cash Equivalents</u> | <u>Restricted Cash and Cash Equivalents Capital Reserve</u> | <u>Total</u> |
|-------------------|--------------------------------------|-------------------------------------------------------------------------|---------------------|
| Checking Accounts | <u>\$ 3,875,045</u> | <u>\$ 1,250,000</u> | <u>\$ 5,125,045</u> |

The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$5,125,045 and the bank balance was \$5,779,624.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$400,000 was established by Board resolution on June 26, 2013 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant 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.

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

| | |
|------------------------------------------|--------------|
| Beginning Balance, July 1, 2014 | \$ 900,000 |
| Deposit - Board Resolution June 23, 2015 | 750,000 |
| | 1,650,000 |
| Budgeted Withdrawal | (400,000) |
| Ending Balance, June 30, 2015 | \$ 1,250,000 |

The balance in the capital reserve at June 30, 2015 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

| | Restated Beginning Balance | Increases | Adjustments/ Decreases | Ending Balance |
|--------------------------------------------|----------------------------------|------------|---------------------------|-------------------|
| | | | | |
| Governmental Activities: | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Construction in Progress | \$ 13,500 | | \$ (13,500) | |
| Total Capital Assets Not Being Depreciated | 13,500 | | (13,500) | |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Building Improvements | \$ 8,171,660 | \$ 494,440 | 13,500 | \$ 8,679,600 |
| Site Improvements | 225,227 | 3,785 | | 229,012 |
| Machinery and Equipment | 1,643,976 | 184,775 | (79,356) | 1,749,395 |
| Total Capital Assets Being Depreciated | 10,040,863 | 683,000 | (65,856) | 10,658,007 |
| Governmental Activities Capital Assets | 10,054,363 | 683,000 | (79,356) | 10,658,007 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

| | Restated Beginning Balance | Increases | Decreases | Ending Balance |
|-----------------------------------------------------------------------------|----------------------------------|-------------------|---------------|---------------------|
| Less Accumulated Depreciation for: | | | | |
| Buildings and Building Improvements | \$ (4,323,780) | \$ (268,625) | | \$ (4,592,405) |
| Site Improvements | (81,340) | (14,669) | | (96,009) |
| Machinery and Equipment | (1,219,831) | (159,414) | \$ 79,356 | (1,299,889) |
| | <u>(5,624,951)</u> | <u>(442,708)</u> | <u>79,356</u> | <u>(5,988,303)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 4,429,412</u> | <u>\$ 240,292</u> | <u>\$ -0-</u> | <u>\$ 4,669,704</u> |
| Business Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Machinery and Equipment | \$ 192,683 | \$ 6,971 | | \$ 199,654 |
| Less Accumulated Depreciation | (147,249) | (8,071) | | (155,320) |
| Business Type Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 45,434</u> | <u>\$ (1,100)</u> | <u>\$ -0-</u> | <u>\$ 44,334</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------------|-------------------|
| Regular Instruction | \$ 1,358 |
| Special Education | 1,479 |
| Student and Instruction Related Services | 9,750 |
| General Administrative Services | 2,710 |
| School Administrative Services | 30,130 |
| Central Services | 7,724 |
| Plant Operations and Maintenance | 2,107 |
| Pupil Transportation | 104,156 |
| Unallocated | 283,294 |
| | <u>\$ 442,708</u> |

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred a total amount of \$170,526 to the capital outlay accounts for equipment which did not require county superintendent approval.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

| | Restated Balance 6/30/2014 | Accrued | Retired | Balance 6/30/2015 |
|------------------------------|----------------------------------|------------------|-------------------|----------------------|
| Compensated Absences Payable | \$ 533,299 | \$ 62,240 | \$ 33,975 | \$ 561,564 |
| Net Pension Liability | 6,583,732 | | 568,187 | 6,015,545 |
| Capital Leases Payable | 2,957 | | 2,957 | |
| | <u>\$ 7,119,988</u> | <u>\$ 62,240</u> | <u>\$ 605,119</u> | <u>\$ 6,577,109</u> |

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2015, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

In a prior year the District entered into a capital lease agreement for the purchase of copiers. The lease was for a 5 year term and was liquidated by the General Fund in the current year.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$561,564. The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. \$107,909 of the liability is considered short-term and \$453,655 is long-term. The General Fund will be used to liquidate the Compensated Absences Payable.

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

D. Operating Lease Payable:

The District has commitments to lease copiers under operating leases which expire in 2020. Future minimum lease payments are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|-------------------------------------|-------------------|
| June 30, 2016 | \$ 35,628 |
| June 30, 2017 | 35,628 |
| June 30, 2018 | 35,628 |
| June 30, 2019 | 35,628 |
| June 30, 2020 | 8,907 |
| Total future minimum lease payments | <u>\$ 151,419</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$6,015,545. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$- and the long-term portion is \$6,015,545. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$264,872 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$6,015,545 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 July 1, 2013 which was rolled forward to June 30, 2014. 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 members, actuarially determined. At June 30, 2014, the District's proportion was 0.032%, which was a decrease of 0.002% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$244,779. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Changes in Assumptions | \$ 189,161 | |
| Changes in Proportion | | \$ 374,314 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 358,494 |
| | <u>\$ 189,161</u> | <u>\$ 732,808</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Total</u> |
|----------------------------------------|---------------------|
| 2015 | \$ (54,851) |
| 2016 | (54,851) |
| 2017 | (54,851) |
| 2018 | (54,851) |
| 2019 | 34,772 |
| Thereafter | 15,299 |
| | <u>\$ (169,333)</u> |

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 Rate | 3.01% |
| Salary Increases: | |
| 2012-2021 | 2.15 – 4.40% based on age |
| Thereafter | 3.15 – 5.40% based on age |
| Investment Rate of Return | 7.90% |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' target asset allocation as of June 30, 2014 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. 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% as of June 30, 2014 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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

contributions from employers will be made based upon 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 pension 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 pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | Fiscal Year Ended June 30, 2014 | | |
|-------------------------------------------------------------|---------------------------------|-------------------------------------|---------------------------|
| | 1% Decrease (4.39%) | Current Discount Rate (5.39%) | 1% Increase (6.39%) |
| District's proportionate share of the Net Pension Liability | \$ 7,567,760 | \$ 6,015,545 | \$ 4,712,079 |

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$535,357 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,838,845.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$52,757,423. 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 July 1, 2013 which was rolled forward to June 30, 2014. 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 members, actuarially determined. At June 30, 2014, the District's proportion was 0.098%, which was a decrease of 0.006% from its proportion measured as of June 30, 2013.

| | | |
|---------------------------------------------------------------------------------------|----|------------|
| District's Proportionate Share of the Net Pension Liability | \$ | -0- |
| State's Proportionate Share of the Net Pension Liability Associated with the District | | 52,757,423 |
| Total | \$ | 52,757,423 |

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$2,838,845 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions | \$ 2,306,623,861 | |
| Difference Between Expected and Actual Experience | | \$ 21,969,019 |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | | 1,741,236,574 |
| | \$ 2,306,623,861 | \$ 1,763,205,593 |

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

| <u>Fiscal Year</u> <u>Ending June 30,</u> | <u>Total</u> |
|----------------------------------------------|-----------------------|
| 2016 | \$ (130,688,498) |
| 2017 | (130,688,498) |
| 2018 | (130,688,498) |
| 2019 | (130,688,496) |
| 2020 | 304,620,646 |
| Thereafter | 761,551,612 |
| | <u>\$ 543,418,268</u> |

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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables 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.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 is summarized in the following table:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. 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% as of June 30, 2014 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 upon the average of the last five years. Based on those assumptions, the pension 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 pension 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | <u>Fiscal Year Ended June 30, 2014</u> | | |
|-----------------------------|----------------------------------------|--------------------------|---------------------|
| | 1% | Current | 1% |
| | Decrease (3.68%) | Discount Rate (4.68%) | Increase (5.68%) |
| Total Net Pension Liability | \$ 64,722,984,539 | \$ 53,813,067,539 | \$ 44,738,870,539 |

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$3,663 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$6,715 for the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$849,880, \$684,682 and \$766,154 for 2015, 2014 and 2013, respectively.

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

The audit for the fiscal year ended June 30, 2015 was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2014 is as follows:

| | <u>School Alliance Insurance Fund</u> |
|------------------------|-------------------------------------------|
| Total Assets | \$ 33,508,569 |
| Net Position | \$ 5,114,269 |
| Total Revenue | \$ 34,091,773 |
| Total Expenses | \$ 37,253,827 |
| Change in Net Position | \$ (3,162,054) |
| Member Dividends | \$ -0- |

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

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, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

| <u>Fiscal Year</u> | <u>District Contributions</u> | <u>Interest Earned</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|----------------------------|-----------------------------------|------------------------------|---------------------------|
| 2014-2015 | \$ 100,000 | \$ 108 | \$ 40,855 | \$ 129,989 | \$ 238,921 |
| 2013-2014 | 100,000 | 69 | 59,881 | 40,848 | 227,947 |
| 2012-2013 | 50,000 | 55 | 40,050 | 71,721 | 108,845 |

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|------------------|---------------------------------|------------------------------|
| General Fund | \$ 17,483 | \$ 177,000 |
| Enterprise Funds | | 4,497 |
| Fiduciary Funds | 177,000 | 12,986 |
| | <u>\$ 194,483</u> | <u>\$ 194,483</u> |

The interfund receivable in the Fiduciary Fund relates to interest earnings and other amounts due from the payroll accounts to the General Fund.

The interfund payable in the Enterprise Funds due to the General Fund are for an equipment repairs paid by the General Fund on behalf of the Food Service Fund in the prior year.

The interfund receivable in the Unemployment Compensation Trust Fund due from the General Fund is the employer share of unemployment funds due to the Unemployment Compensation Trust Fund from the current year and from a prior year ago.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The 403(b) plan administrators are as follows:

| | |
|-------------------------------------|-----------------------------|
| Variable Annuity Life (VALIC) | Lincoln Investment Planning |
| Equitable Life Assurance | Lincoln National Life |
| Metropolitan Life Insurance Company | Oppenheimer |
| Vanguard | New York Life |
| Metropolitan Life Annuity | Siracusa Benefit Plan |

Equitable Life Assurance is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 14. TAX CALENDAR (Cont'd)

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

The school district participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any additional litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds:

| <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total Governmental Funds</u> |
|-------------------------|-------------------------------------|-----------------------------------------|
| \$ 693,396 | \$ 5,571 | \$ 698,967 |

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$441,568 is assigned for year-end encumbrances in the General Fund, which is \$251,828 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, the reduction of fund balance is due to the non-recognition of the final two state aid payments as detailed in Note 1P. On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$5,571 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. ACCOUNTS PAYABLE

| | Governmental Activities | | |
|----------------------------|-------------------------|-----------------|-----------------------|
| | General | Special | Total |
| | Fund | Revenue Fund | Governmental Funds |
| Salaries | \$ 4,263 | | \$ 4,263 |
| Vendors | 55,573 | | 55,573 |
| Due to State of New Jersey | | \$ 42,376 | 42,376 |
| | \$ 59,836 | \$ 42,376 | \$ 102,212 |

NOTE 17. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and also to adjust the amount of capital assets additions which were reported in the prior year.

| | Balance 6/30/14 as Previously Reported | Retroactive Adjustments | Balance 6/30/14 as Restated |
|-----------------------------------|----------------------------------------------|----------------------------|--------------------------------|
| <u>Statement of Net Position:</u> | | | |
| <u>Governmental Activities:</u> | | | |
| <u>Assets:</u> | | | |
| Capital Assets, Net | \$ 4,669,986 | \$ (240,574) | \$ 4,429,412 |
| Total Assets | 4,669,986 | (240,574) | 4,429,412 |
| <u>Statement of Net Position:</u> | | | |
| <u>Liabilities:</u> | | | |
| Non-Current Liabilities | 536,256 | 6,583,732 | 7,119,988 |
| Total Liabilities | 950,489 | 6,583,732 | 7,534,221 |
| <u>Net Position:</u> | | | |
| Net Investment in Capital Assets | 4,667,029 | (240,574) | 4,426,455 |
| Unrestricted/(Deficit) | (348,836) | (6,583,732) | (6,932,568) |
| Total Net Position | 7,103,993 | (6,824,306) | 279,687 |

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

| | <u>Fiscal Year Ending June 30,</u> | |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|---------------|
| | <u>2014</u> | <u>2015</u> |
| District's proportion of the net pension liability | 0.0344481800% | 0.0321296257% |
| District's proportionate share of the net pension liability | \$ 6,583,732 | \$ 6,015,545 |
| District's covered employee payroll | \$ 2,191,492 | \$ 2,205,424 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 300.42% | 272.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 48.72% | 52.08% |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

| | <u>Fiscal Year Ending June 30,</u> | |
|----------------------------------------------------------------------|------------------------------------|------------------|
| | <u>2014</u> | <u>2015</u> |
| Contractually required contribution | \$ 259,560 | \$ 264,872 |
| Contributions in relation to the contractually required contribution | <u>(259,560)</u> | <u>(264,872)</u> |
| Contribution deficiency/(excess) | <u>\$ -0-</u> | <u>\$ -0-</u> |
| District's covered employee payroll | \$ 2,191,492 | \$ 2,205,424 |
| Contributions as a percentage of covered employee payroll | 11.84% | 12.01% |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

| | <u>Fiscal Year Ending June 30,</u> | |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|---------------|
| | <u>2014</u> | <u>2015</u> |
| State's proportion of the net pension liability attributable to the District | 0.1048609157% | 0.0987102624% |
| State's proportionate share of the net pension liability attributable to the District | \$ 52,995,882 | \$ 52,757,423 |
| District's covered employee payroll | \$ 9,723,839 | \$ 9,630,467 |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 545.01% | 547.82% |
| Plan fiduciary net position as a percentage of the total pension liability | 33.76% | 33.64% |

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 15,310,804 | | \$ 15,310,804 | \$ 15,310,804 | |
| Tuition from Other LEAs | 45,000 | | 45,000 | | \$ (45,000) |
| Transportation Fees | 60,106 | | 60,106 | | (60,106) |
| Unrestricted Miscellaneous Revenues | 50,000 | | 50,000 | 65,157 | 15,157 |
| Total - Local Sources | 15,465,910 | | 15,465,910 | 15,375,961 | (89,949) |
| State Sources: | | | | | |
| Extraordinary Aid | 40,000 | | 40,000 | 82,335 | 42,335 |
| Categorical Special Education Aid | 773,754 | | 773,754 | 773,754 | |
| School Choice Aid | 26,145 | | 26,145 | 26,145 | |
| Equalization Aid | 5,670,481 | | 5,670,481 | 5,670,481 | |
| Categorical Security Aid | 152,070 | | 152,070 | 152,070 | |
| Adjustment Aid | 337,885 | | 337,885 | 337,885 | |
| Categorical Transportation Aid | 824,394 | | 824,394 | 824,394 | |
| Non Public Transportation Aid | | | | 14,942 | 14,942 |
| PARCC Readiness Aid | 12,260 | | 12,260 | 12,260 | |
| Per Pupil Growth Aid | 12,260 | | 12,260 | 12,260 | |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | 535,357 | 535,357 |
| On-behalf TPAF Post Retirement Medical Contributions (non-budgeted) | | | | 849,880 | 849,880 |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 712,929 | 712,929 |
| Total State Sources | 7,849,249 | | 7,849,249 | 10,004,692 | 2,155,443 |
| Federal Sources: | | | | | |
| Medicaid Reimbursement | 25,790 | | 25,790 | 51,831 | 26,041 |
| Medicaid Reimbursement-SEMI ARRA | | | | 5,125 | 5,125 |
| Total Federal Sources | 25,790 | | 25,790 | 56,956 | 31,166 |
| TOTAL REVENUES | 23,340,949 | | 23,340,949 | 25,437,609 | 2,096,660 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|-----------------------------------------------|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Regular Programs - Instruction: | | | | | |
| Kindergarten - Salaries of Teachers | \$ 407,873 | \$ 235 | \$ 408,108 | \$ 408,106 | \$ 2 |
| Grades 1-5 - Salaries of Teachers | 2,903,765 | (113,293) | 2,790,472 | 2,756,580 | 33,892 |
| Grades 6-8 - Salaries of Teachers | 1,912,258 | (40,200) | 1,872,058 | 1,846,654 | 25,404 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 15,000 | | 15,000 | 14,178 | 822 |
| Purchased Professional - Educational Services | 7,000 | 2,350 | 9,350 | 8,192 | 1,158 |
| Other Objects | 500 | (500) | | | |
| Regular Programs - Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 187,205 | 52,270 | 239,475 | 239,252 | 223 |
| Purchased Professional - Educational Services | 36,440 | (14,155) | 22,285 | 17,418 | 4,867 |
| Purchased Technical Services | 1,875 | | 1,875 | 704 | 1,171 |
| Other Purchased Services (400-500 Series) | 10,000 | | 10,000 | 5,618 | 4,382 |
| General Supplies | 325,842 | (47,169) | 278,673 | 262,161 | 16,512 |
| Textbooks | 14,500 | | 14,500 | 12,303 | 2,197 |
| Other Objects | 31,665 | (1,225) | 30,440 | 30,240 | 200 |
| Total Regular Programs - Instruction | <u>5,853,923</u> | <u>(161,687)</u> | <u>5,692,236</u> | <u>5,601,406</u> | <u>90,830</u> |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 207,401 | 2,213 | 209,614 | 209,613 | 1 |
| Other Salaries for Instruction | 163,253 | (2,213) | 161,040 | 159,680 | 1,360 |
| General Supplies | 4,900 | 1,525 | 6,425 | 5,708 | 717 |
| Textbooks | 300 | | 300 | 300 | 0 |
| Total Learning and/or Language Disabilities | <u>375,854</u> | <u>1,525</u> | <u>377,379</u> | <u>375,001</u> | <u>2,378</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|-----------------------------------------------|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | \$ 171,681 | \$ 3,394 | \$ 175,075 | \$ 175,075 | |
| Other Salaries for Instruction | 142,093 | (3,394) | 138,699 | 133,721 | \$ 4,978 |
| General Supplies | 4,400 | | 4,400 | 3,614 | 786 |
| Total Multiple Disabilities | <u>318,174</u> | | <u>318,174</u> | <u>312,410</u> | <u>5,764</u> |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 1,779,085 | 129,887 | 1,908,972 | 1,905,360 | 3,612 |
| Other Salaries for Instruction | 153,593 | (50,492) | 103,101 | 102,410 | 691 |
| General Supplies | 14,975 | | 14,975 | 14,542 | 433 |
| Textbooks | 2,000 | (500) | 1,500 | | 1,500 |
| Total Resource Room/Resource Center | <u>1,949,653</u> | <u>78,895</u> | <u>2,028,548</u> | <u>2,022,312</u> | <u>6,236</u> |
| Autism: | | | | | |
| Salaries of Teachers | 192,891 | (7,091) | 185,800 | 185,800 | |
| Other Salaries for Instruction | 207,124 | 41,822 | 248,946 | 248,625 | 321 |
| General Supplies | 6,000 | 500 | 6,500 | 5,961 | 539 |
| Total Autism | <u>406,015</u> | <u>35,231</u> | <u>441,246</u> | <u>440,386</u> | <u>860</u> |
| Preschool Handicapped - Part Time: | | | | | |
| Salaries of Teachers | 174,572 | 25,691 | 200,263 | 200,263 | |
| Other Salaries for Instruction | 92,798 | (3,099) | 89,699 | 89,698 | 1 |
| General Supplies | 1,500 | | 1,500 | 1,245 | 255 |
| Total Preschool Handicapped - Part Time | <u>268,870</u> | <u>22,592</u> | <u>291,462</u> | <u>291,206</u> | <u>256</u> |
| Home Instruction: | | | | | |
| Purchased Professional - Educational Services | 2,000 | | 2,000 | | 2,000 |
| Total Home Instruction | <u>2,000</u> | | <u>2,000</u> | | <u>2,000</u> |
| Total Special Education Instruction | <u>3,320,566</u> | <u>138,243</u> | <u>3,458,809</u> | <u>3,441,315</u> | <u>17,494</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | \$ 302,383 | \$ (41,024) | \$ 261,359 | \$ 72,703 | \$ 188,656 |
| General Supplies | 2,450 | | 2,450 | 1,372 | 1,078 |
| Total Basic Skills/Remedial - Instruction | <u>304,833</u> | <u>(41,024)</u> | <u>263,809</u> | <u>74,075</u> | <u>189,734</u> |
| School-Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 81,742 | (2,000) | 79,742 | 73,552 | 6,190 |
| Purchased Services (300-500 Series) | 10,000 | 4,500 | 14,500 | 12,860 | 1,640 |
| Supplies and Materials | 20,000 | (2,500) | 17,500 | 7,500 | 10,000 |
| Total School-Sponsored Cocurricular Activities - Instruction | <u>111,742</u> | | <u>111,742</u> | <u>93,912</u> | <u>17,830</u> |
| Other Supplemental At Risk Programs Instructions | | | | | |
| Salaries of Reading Specialists | 110,000 | (52,645) | 57,355 | 57,335 | 20 |
| Purchased Professional & Technical Services | 28,900 | (27,855) | 1,045 | 981 | 64 |
| Total Other Supplemental At risk Programs Instruction | <u>138,900</u> | <u>(80,500)</u> | <u>58,400</u> | <u>58,316</u> | <u>84</u> |
| Other Alternative Education Programs | | | | | |
| Salaries of Teachers | 55,000 | 55,000 | 110,000 | 50,175 | 59,825 |
| General Supplies | 1,000 | 15,500 | 16,500 | | 16,500 |
| Total Other Alternative Education Program Instruction | <u>56,000</u> | <u>70,500</u> | <u>126,500</u> | <u>50,175</u> | <u>76,325</u> |
| Total Instruction | <u>9,785,964</u> | <u>(74,468)</u> | <u>9,711,496</u> | <u>9,319,199</u> | <u>392,297</u> |
| Undistributed Expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to Other LEAs Within the State - Special | 75,000 | 63,957 | 138,957 | 120,888 | 18,069 |
| Tuition to Private Schools for the Handicapped - Within State | 350,492 | 119,462 | 469,954 | 416,356 | 53,598 |
| Tuition - Other | 15,216 | (3,636) | 11,580 | 6,544 | 5,036 |
| Total Undistributed Expenditures - Instruction: | <u>440,708</u> | <u>179,783</u> | <u>620,491</u> | <u>543,788</u> | <u>76,703</u> |
| Attendance and Social Work: | | | | | |
| Other Purchased Services (400-500 Series) | 2,500 | | 2,500 | 260 | 2,240 |
| Total Attendance and Social Work | <u>2,500</u> | | <u>2,500</u> | <u>260</u> | <u>2,240</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|-------------------------------------------------|----------------------------|-----------------------------|-------------------------|----------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Health Services: | | | | | |
| Salaries | \$ 210,916 | | \$ 210,916 | \$ 206,039 | \$ 4,877 |
| Other Purchased Services (400-500 Series) | 5,000 | \$ 5,000 | 10,000 | 5,395 | 4,605 |
| Supplies and Materials | 6,300 | 300 | 6,600 | 6,211 | 389 |
| Other Objects | 3,505 | (300) | 3,205 | 2,582 | 623 |
| Total Health Services | <u>225,721</u> | <u>5,000</u> | <u>230,721</u> | <u>220,227</u> | <u>10,494</u> |
| Speech, OT, PT and Related Services: | | | | | |
| Salaries | 434,260 | (25,800) | 408,460 | 359,847 | 48,613 |
| Purchased Professional - Educational Services | 152,888 | 23,400 | 176,288 | 176,288 | |
| Supplies and Materials | 3,727 | | 3,727 | 2,965 | 762 |
| Total Speech, OT, PT and Related Services | <u>590,875</u> | <u>(2,400)</u> | <u>588,475</u> | <u>539,100</u> | <u>49,375</u> |
| Other Support Services - Guidance: | | | | | |
| Salaries of Other Professional Staff | 232,918 | | 232,918 | 230,400 | 2,518 |
| Total Other Support Services - Guidance | <u>232,918</u> | | <u>232,918</u> | <u>230,400</u> | <u>2,518</u> |
| Other Support Services - Child Study Team: | | | | | |
| Salaries of Other Professional Staff | 747,568 | (502) | 747,066 | 696,514 | 50,552 |
| Salaries of Secretarial and Clerical Assistants | 108,518 | 502 | 109,020 | 109,020 | |
| Purchased Professional - Educational Services | 11,250 | 2,400 | 13,650 | 13,645 | 5 |
| Total Other Support Services - Child Study Team | <u>867,336</u> | <u>2,400</u> | <u>869,736</u> | <u>819,179</u> | <u>50,557</u> |
| Educational Media Services/School Library: | | | | | |
| Salaries | 209,443 | 1 | 209,444 | 209,382 | 62 |
| Salaries of Technology Coordinators | 55,000 | | 55,000 | 51,730 | 3,270 |
| Supplies and Materials | 29,061 | | 29,061 | 20,926 | 8,135 |
| Total Educational Media Services/School Library | <u>293,504</u> | <u>1</u> | <u>293,505</u> | <u>282,038</u> | <u>11,467</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|-----------------------------------------------------|----------------------------|-----------------------------|-------------------------|----------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | \$ 119,846 | | \$ 119,846 | \$ 113,348 | \$ 6,498 |
| Salaries of Secretarial and Clerical Assistants | 42,392 | \$ (18,500) | 23,892 | 17,679 | 6,213 |
| Purchased Professional - Educational Services | 54,645 | | 54,645 | 36,283 | 18,362 |
| Other Purchased Professional and Technical Services | 500 | | 500 | | 500 |
| Supplies and Materials | 1,000 | 2,970 | 3,970 | 3,968 | 2 |
| Other Objects | 5,075 | (2,970) | 2,105 | 825 | 1,280 |
| Total Instructional Staff Training Services | <u>223,458</u> | <u>(18,500)</u> | <u>204,958</u> | <u>172,103</u> | <u>32,855</u> |
| Support Services - General Administration: | | | | | |
| Salaries | 240,409 | (18,085) | 222,324 | 207,321 | 15,003 |
| Legal Services | 50,000 | | 50,000 | 36,570 | 13,430 |
| Audit Fees | 62,000 | | 62,000 | 31,600 | 30,400 |
| Architectural/Engineering Services | 7,200 | 18,085 | 25,285 | 14,975 | 10,310 |
| Other Purchased Professional Services | 33,145 | 390 | 33,535 | 33,533 | 2 |
| Purchased Technical Services | 5,600 | (5,600) | | | |
| Communications/Telephone | 76,872 | 5,475 | 82,347 | 75,198 | 7,149 |
| Other Purchased Services (400-500 Series) | 39,069 | (1,875) | 37,194 | 36,070 | 1,124 |
| General Supplies | 5,000 | | 5,000 | 4,498 | 502 |
| BOE In-house Training/Meeting Supplies | 500 | | 500 | 151 | 349 |
| Miscellaneous Expenditures | 18,434 | 1,610 | 20,044 | 14,891 | 5,153 |
| BOE Membership Dues and Fees | 13,000 | | 13,000 | 11,666 | 1,334 |
| Total Support Services - General Administration | <u>551,229</u> | <u></u> | <u>551,229</u> | <u>466,473</u> | <u>84,756</u> |
| Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 426,422 | (3,025) | 423,397 | 387,261 | 36,136 |
| Salaries of Secretarial and Clerical Assistants | 249,376 | | 249,376 | 241,064 | 8,312 |
| Supplies and Materials | 35,350 | | 35,350 | 35,350 | |
| Other Objects | 21,094 | 4,250 | 25,344 | 25,344 | |
| Total Support Services - School Administration | <u>732,242</u> | <u>1,225</u> | <u>733,467</u> | <u>689,019</u> | <u>44,448</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-------------------------------------------------|--------------------|---------------------|------------------|------------------|-----------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Central Services: | | | | | |
| Salaries | \$ 260,073 | \$ 18,338 | \$ 278,411 | \$ 278,411 | |
| Purchased Professional Services | 9,950 | 4,283 | 14,233 | 14,233 | |
| Supplies and Materials | 6,500 | (1,590) | 4,910 | 4,910 | |
| Miscellaneous Expenditures | 4,330 | (2,051) | 2,279 | 2,279 | |
| Total Central Services | <u>280,853</u> | <u>18,980</u> | <u>299,833</u> | <u>299,833</u> | |
| Administrative Information Technology: | | | | | |
| Salaries | 79,181 | 12,053 | 91,234 | 90,431 | \$ 803 |
| Purchased Professional Services | 99,738 | (15,580) | 84,158 | 78,743 | 5,415 |
| Supplies and Materials | 100,834 | 14,500 | 115,334 | 85,487 | 29,847 |
| Other Objects | 20,000 | (13,696) | 6,304 | 6,300 | 4 |
| Total Administrative Information Technology | <u>299,753</u> | <u>(2,723)</u> | <u>297,030</u> | <u>260,961</u> | <u>36,069</u> |
| Required Maintenance of School Facilities: | | | | | |
| Salaries | 331,005 | (6,225) | 324,780 | 324,158 | 622 |
| Cleaning, Repair and Maintenance Services | 107,095 | 20,675 | 127,770 | 111,924 | 15,846 |
| General Supplies | 87,768 | (14,450) | 73,318 | 68,561 | 4,757 |
| Total Required Maintenance of School Facilities | <u>525,868</u> | <u></u> | <u>525,868</u> | <u>504,643</u> | <u>21,225</u> |
| Custodial Services: | | | | | |
| Salaries | 450,849 | 20,135 | 470,984 | 456,959 | 14,025 |
| Cleaning, Repair and Maintenance Services | 141,586 | (42,061) | 99,525 | 43,410 | 56,115 |
| Other Purchased Property Services | 56,180 | 26,400 | 82,580 | 82,576 | 4 |
| Insurance | 116,615 | (4,475) | 112,140 | 112,140 | |
| Miscellaneous Purchased Services | 79,582 | | 79,582 | 54,517 | 25,065 |
| General Supplies | 60,612 | | 60,612 | 38,858 | 21,754 |
| Energy (Electricity) | 196,000 | (32,249) | 163,751 | 114,502 | 49,249 |
| Energy (Natural Gas) | 165,000 | | 165,000 | 133,596 | 31,404 |
| Other Objects | 15,350 | | 15,350 | 10,960 | 4,390 |
| Total Custodial Services | <u>1,281,774</u> | <u>(32,250)</u> | <u>1,249,524</u> | <u>1,047,518</u> | <u>202,006</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|------------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Student Transportation Services: | | | | | |
| Salaries of Non-Instructional Aides | \$ 87,101 | \$ 8,151 | \$ 95,252 | \$ 95,230 | \$ 22 |
| Salaries for Pupil Transportation (Between Home & School) - Regular | 336,143 | (2,151) | 333,992 | 330,499 | 3,493 |
| Other Purchased Professional and Technical Services | 7,750 | | 7,750 | 4,265 | 3,485 |
| Cleaning, Repair and Maintenance Services | 60,000 | (6,000) | 54,000 | 30,469 | 23,531 |
| Rental Payments - School Buses | 10,000 | | 10,000 | 1,400 | 8,600 |
| Lease Purchase Payments - School Buses | 170,000 | (125,482) | 44,518 | | 44,518 |
| Contracted Services: | | | | | |
| Between Home and School - Vendors | 868,055 | (7,000) | 861,055 | 767,596 | 93,459 |
| Other Between Home and School - Vendors | 83,197 | 11,500 | 94,697 | 84,426 | 10,271 |
| Between Home and School - Joint Agreements | 28,000 | | 28,000 | 22,121 | 5,879 |
| Special Education Students - Joint Agreements | 131,311 | 36,000 | 167,311 | 166,332 | 979 |
| Aid in Lieu Payments - Nonpublic School | 39,780 | | 39,780 | 30,517 | 9,263 |
| Transportation Supplies | 145,200 | (5,157) | 140,043 | 73,869 | 66,174 |
| Other Objects | 18,000 | | 18,000 | 13,623 | 4,377 |
| Total Student Transportation Services | <u>1,984,537</u> | <u>(90,139)</u> | <u>1,894,398</u> | <u>1,620,347</u> | <u>274,051</u> |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 325,000 | (3,600) | 321,400 | 281,760 | 39,640 |
| Other Retirement Contribution - PERS | 299,173 | (34,301) | 264,872 | 264,872 | |
| Unemployment Compensation | 100,000 | | 100,000 | 100,000 | |
| Workmen's Compensation | 186,608 | (8,406) | 178,202 | 172,202 | 6,000 |
| Health Benefits | 3,748,380 | (137,297) | 3,611,083 | 2,962,010 | 649,073 |
| Tuition Reimbursement | 39,000 | 3,925 | 42,925 | 42,881 | 44 |
| Other Employee Benefits | 155,000 | | 155,000 | 99,167 | 55,833 |
| Total Unallocated Benefits | <u>4,853,161</u> | <u>(179,679)</u> | <u>4,673,482</u> | <u>3,922,892</u> | <u>750,590</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|---------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|---------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| On-Behalf and Reimbursed Benefits: | | | | | |
| On-behalf TPAF Pension Contributions (non-budgeted) | | | | \$ 535,357 | \$ (535,357) |
| On-behalf TPAF Post Retirement Medical Contributions (non-budgeted) | | | | 849,880 | (849,880) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | | | | 712,929 | (712,929) |
| Total On-Behalf and Reimbursed Benefits | | | | 2,098,166 | (2,098,166) |
| Total Undistributed Expenses | \$ 13,386,437 | \$ (118,302) | \$ 13,268,135 | 13,716,947 | (448,812) |
| TOTAL GENERAL CURRENT EXPENSE | 23,172,401 | (192,770) | 22,979,631 | 23,036,146 | (56,515) |
| CAPITAL OUTLAY: | | | | | |
| Equipment: | | | | | |
| School Administration | 75,000 | | 75,000 | 60,345 | 14,655 |
| Central Services | | 2,243 | 2,243 | | 2,243 |
| Administrative Information Technology | | 45,895 | 45,895 | | 45,895 |
| Required Maintenance for School Facilities | | 32,249 | 32,249 | | 32,249 |
| School Transportation - School Buses - Regular | 84,982 | 84,982 | 169,964 | 169,964 | |
| Student Transportation- Non-Instructional Equipment | 20,000 | 5,157 | 25,157 | 14,811 | 10,346 |
| Total Equipment | 179,982 | 170,526 | 350,508 | 245,120 | 105,388 |
| Facilities Acquisition and Construction Services: | | | | | |
| Construction Services | 875,179 | | 875,179 | 395,364 | 479,815 |
| Architectural/Engineering Services | 62,000 | | 62,000 | 42,516 | 19,484 |
| Assessment for Debt Service on SDA Funding | 1,273 | | 1,273 | 1,273 | |
| Total Facilities Acquisition and Construction Services | 938,452 | | 938,452 | 439,153 | 499,299 |
| TOTAL CAPITAL OUTLAY | 1,118,434 | 170,526 | 1,288,960 | 684,273 | 604,687 |
| Transfer of Funds to Charter Schools | 755,848 | 22,244 | 778,092 | 778,092 | |
| TOTAL EXPENDITURES | 25,046,683 | | 25,046,683 | 24,498,511 | 548,172 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|-----------------------------------------------------------|----------------------------|-----------------------------|-------------------------|---------------------|-------------------------------------|
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | \$ (1,705,734) | | \$ (1,705,734) | \$ 939,098 | \$ 2,644,832 |
| Fund Balance, July 1 | <u>3,712,120</u> | | <u>3,712,120</u> | <u>3,712,120</u> | |
| Fund Balance, June 30 | <u>\$ 2,006,386</u> | <u>\$ -0-</u> | <u>\$ 2,006,386</u> | <u>\$ 4,651,218</u> | <u>\$ 2,644,832</u> |
| <u>Recapitulation:</u> | | | | | |
| Restricted: | | | | | |
| Excess Surplus - Restricted for 2016-2017 | | | | \$ 1,183,675 | |
| Excess Surplus - Restricted for 2015-2016 | | | | 996,079 | |
| Capital Reserve | | | | 1,250,000 | |
| Assigned: | | | | | |
| Year-End Encumbrances | | | | 693,396 | |
| Designated for Subsequent Year's Expenditures | | | | 17,659 | |
| Designated for Subsequent Year's Expenditures-SEMI/ARRA | | | | 5,125 | |
| Unassigned | | | | <u>505,284</u> | |
| | | | | 4,651,218 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payments not Recognized on GAAP Basis | | | | <u>(779,896)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 3,871,322</u> | |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|-----------------------------------------------|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| REVENUES: | | | | | |
| State Sources | \$ 75,329 | \$ 15,672 | \$ 91,001 | \$ 81,885 | \$ (9,116) |
| Federal Sources | 564,500 | 237,593 | 802,093 | 684,929 | (117,164) |
| Total Revenues | <u>639,829</u> | <u>253,265</u> | <u>893,094</u> | <u>766,814</u> | <u>(126,280)</u> |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 121,390 | 3,354 | 124,744 | 119,739 | 5,005 |
| Purchased Professional - Educational Services | 111,492 | (1,487) | 110,005 | 104,508 | 5,497 |
| Tuition | 200,000 | 63,000 | 263,000 | 228,168 | 34,832 |
| General Supplies | 12,492 | 15,328 | 27,820 | 19,742 | 8,078 |
| Textbooks | 8,898 | 1,451 | 10,349 | 6,341 | 4,008 |
| Total Instruction | <u>454,272</u> | <u>81,646</u> | <u>535,918</u> | <u>478,498</u> | <u>57,420</u> |
| Support Services: | | | | | |
| Salaries of Other Professional Staff | 25,350 | 27,821 | 53,171 | 53,171 | |
| Personal Services - Employee Benefits | 12,407 | 12,647 | 25,054 | 20,800 | 4,254 |
| Purchased Professional and Technical Services | 147,800 | 129,491 | 277,291 | 214,345 | 62,946 |
| Other Purchased Services | | 1,660 | 1,660 | | 1,660 |
| Total Support Services | <u>185,557</u> | <u>171,619</u> | <u>357,176</u> | <u>288,316</u> | <u>68,860</u> |
| Total Expenditures | <u>\$ 639,829</u> | <u>\$ 253,265</u> | <u>\$ 893,094</u> | <u>\$ 766,814</u> | <u>\$ 126,280</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|
| Sources/Inflows of Resources | | |
| Actual Amounts (Budgetary Basis) "Revenue" | | |
| from the Budgetary Comparison Schedule | \$ 25,437,609 | \$ 766,814 |
| Difference - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not: | | |
| Current Year Encumbrances | | (5,571) |
| Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements | 769,494 | |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | <u>(779,896)</u> | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 25,427,207</u> | <u>\$ 761,243</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 24,498,511 | \$ 766,814 |
| 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 the Supplies are Received for Financial Reporting Purposes: | | |
| Current Year Encumbrances | | <u>(5,571)</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 24,498,511</u> | <u>\$ 761,243</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2015, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the 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 generally accepted accounting principles, with the exception of 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>No Child Left Behind</u> | | <u>IDEA Part B</u> | | <u>Nonpublic Textbook Aid</u> | <u>Nonpublic Nursing Aid</u> |
|-----------------------------------------------|-----------------------------|-----------------|--------------------|--------------|---------------------------------------|--------------------------------------|
| | <u>Title I</u> | <u>Title II</u> | <u>Preschool</u> | <u>Basic</u> | | |
| REVENUE: | | | | | | |
| State Sources | | | | | \$ 6,341 | \$ 13,469 |
| Federal Sources | \$ 158,801 | \$ 70,807 | \$ 27,125 | \$ 428,196 | | |
| Total Revenue | 158,801 | 70,807 | 27,125 | 428,196 | 6,341 | 13,469 |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | 96,296 | | | | | |
| Purchased Professional/Educational Services | | | | 81,217 | | |
| Tuition | | | | 228,168 | | |
| General Supplies | 5,944 | 3,357 | 7,420 | | | |
| Textbooks | | | | | 6,341 | |
| Total Instruction | 102,240 | 3,357 | 7,420 | 309,385 | 6,341 | |
| Support Services: | | | | | | |
| Salaries of Other Professional Staff | 33,466 | | 19,705 | | | |
| Personal Services - Employee Benefits | 20,800 | | | | | |
| Purchased Professional and Technical Services | 2,295 | 67,450 | | 118,811 | | 13,469 |
| Total Support Services | 56,561 | 67,450 | 19,705 | 118,811 | | 13,469 |
| Total Expenditures | \$ 158,801 | \$ 70,807 | \$ 27,125 | \$ 428,196 | \$ 6,341 | \$ 13,469 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Nonpublic Technology Aid | Chapter 192 Auxiliary Aid Compensatory Education | Chapter 193 Nonpublic Handicapped Aid | | | Municipal Alliance Grant |
|-----------------------------------------------|--------------------------------|-----------------------------------------------------------|------------------------------------------|------------------------------|----------------------|--------------------------------|
| | | | Examination and Classification | Supplementary Instruction | Corrective Speech | |
| REVENUE: | | | | | | |
| State Sources | \$ 3,021 | \$ 23,291 | \$ 15,133 | \$ 12,320 | \$ 7,510 | \$ 800 |
| Federal Sources | | | | | | |
| Total Revenue | <u>3,021</u> | <u>23,291</u> | <u>15,133</u> | <u>12,320</u> | <u>7,510</u> | <u>800</u> |
| EXPENDITURES: | | | | | | |
| Instruction: | | | | | | |
| Salaries of Teachers | | | 15,133 | | 7,510 | 800 |
| Purchased Professional/Educational Services | | 23,291 | | | | |
| Tuition | | | | | | |
| General Supplies | 3,021 | | | | | |
| Textbooks | | | | | | |
| Total Instruction | <u>3,021</u> | <u>23,291</u> | <u>15,133</u> | | <u>7,510</u> | <u>800</u> |
| Support Services: | | | | | | |
| Salaries of Other Professional Staff | | | | | | |
| Personal Services - Employee Benefits | | | | | | |
| Purchased Professional and Technical Services | | | | 12,320 | | |
| Total Support Services | | | | <u>12,320</u> | | |
| Total Expenditures | <u>\$ 3,021</u> | <u>\$ 23,291</u> | <u>\$ 15,133</u> | <u>\$ 12,320</u> | <u>\$ 7,510</u> | <u>\$ 800</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Totals |
|-----------------------------------------------|------------|
| REVENUE: | |
| State Sources | \$ 81,885 |
| Federal Sources | 684,929 |
| Total Revenue | 766,814 |
| EXPENDITURES: | |
| Instruction: | |
| Salaries of Teachers | 119,739 |
| Purchased Professional/Educational Services | 104,508 |
| Tuition | 228,168 |
| General Supplies | 19,742 |
| Textbooks | 6,341 |
| Total Instruction | 478,498 |
| Support Services: | |
| Salaries of Other Professional Staff | 53,171 |
| Personal Services - Employee Benefits | 20,800 |
| Purchased Professional and Technical Services | 214,345 |
| Total Support Services | 288,316 |
| Total Expenditures | \$ 766,814 |

CAPITAL PROJECTS FUND

Exhibit F-1

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | |
|--------------------------------------------|-------------------------|
| Fund Balance - Beginning | <u>\$ 27,637</u> |
| Fund Balance - Ending | <u><u>\$ 27,637</u></u> |
| <u>Recapitulation:</u> | |
| Committed: | |
| Other Purposes | <u>\$ 27,637</u> |
| Fund Balance per Governmental Funds (GAAP) | <u><u>\$ 27,637</u></u> |

Exhibit F-1a

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u> | <u>Revised Project Authorization</u> |
|----------------------------------------------------------------------------------------|----------------------|---------------------|------------------|----------------------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Contribution from Private Source | \$ 70,680 | | \$ 70,680 | \$ 70,680 |
| Total Revenue and Other Financing Sources | 70,680 | | 70,680 | 70,680 |
| Expenditures: | | | | |
| Purchased Professional and Technical Services | 43,043 | | 43,043 | 70,680 |
| Total Expenditures | 43,043 | -0- | 43,043 | 70,680 |
| Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures | <u>\$ 27,637</u> | <u>\$ -0-</u> | <u>\$ 27,637</u> | <u>\$ -0-</u> |
| Additional Project Information: | | | | |
| Project Number(s) | N/A | | | |
| Grant Date(s) | N/A | | | |
| Bond Authorization Date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 20,000 | | | |
| Additional Funds | \$ 50,680 | | | |
| Revised Authorized Cost | <u>\$ 70,680</u> | | | |
| Change Order Percentage | 253.40% | | | |
| Percentage Completion | 60.90% | | | |
| Original Target Completion Date | 06/30/13 | | | |
| Revised Target Completion Date | 06/30/15 | | | |

PROPRIETARY FUNDS

Exhibit G-1

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

| | <u>Major Fund</u> | <u>Non-Major</u> | |
|----------------------------------------|-------------------|---------------------|-------------------|
| | <u>Food</u> | <u>Fund</u> | |
| | <u>Service</u> | <u>Care Program</u> | <u>Total</u> |
| ASSETS: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 121,337 | \$ 184,576 | \$ 305,913 |
| Intergovernmental Accounts Receivable: | | | |
| State | 397 | | 397 |
| Federal | 15,651 | | 15,651 |
| Other Accounts Receivable | | 2,460 | 2,460 |
| Inventories | 11,373 | | 11,373 |
| Total Current Assets | <u>148,758</u> | <u>187,036</u> | <u>335,794</u> |
| Non-Current Assets: | | | |
| Capital Assets | 199,654 | | 199,654 |
| Accumulated depreciation | (155,320) | | (155,320) |
| Total Non-Current Assets | <u>44,334</u> | | <u>44,334</u> |
| Total Assets | <u>193,092</u> | <u>187,036</u> | <u>380,128</u> |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Interfund Payable - General Fund | 4,497 | | 4,497 |
| Unearned Revenue | 2,586 | 8,335 | 10,921 |
| Total Current Liabilities | <u>7,083</u> | <u>8,335</u> | <u>15,418</u> |
| NET POSITION: | | | |
| Net Investment in Capital Assets | 44,334 | | 44,334 |
| Unrestricted | 141,675 | 178,701 | 320,376 |
| Total Net Position | <u>\$ 186,009</u> | <u>\$ 178,701</u> | <u>\$ 364,710</u> |

Exhibit G-2

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Major Fund</u> | <u>Non-Major</u> <u>Fund</u> | |
|-------------------------------------|-------------------------------|---------------------------------|-------------------|
| | <u>Food</u> <u>Service</u> | <u>Care Program</u> | <u>Total</u> |
| Operating Revenue: | | | |
| Local Sources: | | | |
| Daily Sales | \$ 175,445 | | \$ 175,445 |
| Child Care Fees | | \$ 138,521 | 138,521 |
| Total Operating Revenue | <u>175,445</u> | <u>138,521</u> | <u>313,966</u> |
| Operating Expenses: | | | |
| Cost of Goods Sold | 175,156 | | 175,156 |
| Salaries | 113,856 | 118,445 | 232,301 |
| Employee Benefits and Payroll Taxes | 27,772 | | 27,772 |
| Purchased Services | 15,087 | 1,373 | 16,460 |
| Supplies and Materials | 6,494 | 2,749 | 9,243 |
| Depreciation | 8,071 | | 8,071 |
| Total Operating Expenses | <u>346,436</u> | <u>122,567</u> | <u>469,003</u> |
| Operating Income/(Loss) | <u>(170,991)</u> | <u>15,954</u> | <u>(155,037)</u> |
| Non-Operating Revenue: | | | |
| State Sources: | | | |
| State School Lunch Program | 3,929 | | 3,929 |
| Federal Sources: | | | |
| National School Lunch Program | 132,813 | | 132,813 |
| School Breakfast Program | 21,364 | | 21,364 |
| Food Distribution Program | 24,601 | | 24,601 |
| Local Sources: | | | |
| Interest Revenue | 257 | | 257 |
| Total Non-Operating Revenue | <u>182,964</u> | | <u>182,964</u> |
| Change in Net Position | 11,973 | 15,954 | 27,927 |
| Net Position - Beginning of Year | 174,036 | 162,747 | 336,783 |
| Net Position - End of Year | <u>\$ 186,009</u> | <u>\$ 178,701</u> | <u>\$ 364,710</u> |

Exhibit G-3

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Major Fund</u> | <u>Non-Major</u> | |
|------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| | <u>Food</u> | <u>Fund</u> | |
| | <u>Service</u> | <u>Care Program</u> | <u>Total</u> |
| Cash Flows for Operating Activities: | | | |
| Receipts from Customers | \$ 175,445 | \$ 134,531 | \$ 309,976 |
| Payments for Salaries, Payroll Taxes and Benefits | (141,628) | (118,445) | (260,073) |
| Payments to Suppliers | (197,583) | (4,122) | (201,705) |
| Net Cash Provided by/(Used for) Operating Activities | (163,766) | 11,964 | (151,802) |
| Cash Flows for Noncapital Financing Activities: | | | |
| Federal and State Sources Received in Food Service Fund | 157,839 | | 157,839 |
| Net Cash Provided by Noncapital Financing Activities | 157,839 | | 157,839 |
| Cash Flows for Capital Financing Activities: | | | |
| Purchase of Capital Assets | (6,971) | | (6,971) |
| Net Cash Used for Capital Financing Activities | (6,971) | | (6,971) |
| Cash Flows from Investing Activities: | | | |
| Interest on Investments | 257 | | 257 |
| Net Cash Provided by Investing Activities | 257 | | 257 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (12,641) | 11,964 | (677) |
| Cash and Cash Equivalents, July 1 | 133,978 | 172,612 | 306,590 |
| Cash and Cash Equivalents, June 30 | <u>\$ 121,337</u> | <u>\$ 184,576</u> | <u>\$ 305,913</u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided by/ (Used for) Operating Activities: | | | |
| Operating Income/(Loss) | \$ (170,991) | \$ 15,954 | \$ (155,037) |
| Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities | | | |
| Depreciation | 8,071 | | 8,071 |
| Food Distribution Program | 24,601 | | 24,601 |
| Changes in Assets and Liabilities: | | | |
| (Increase) in Inventory | (2,802) | | (2,802) |
| (Increase) in Other Accounts Receivable | | (1,530) | (1,530) |
| (Decrease) in Accounts Payable | (25,230) | | (25,230) |
| Increase/(Decrease) in Unearned Revenue | 988 | (2,460) | (1,472) |
| Increase in Interfund Payable | 1,597 | | 1,597 |
| Net Cash Provided by/(Used for) Operating Activities | <u>\$ (163,766)</u> | <u>\$ 11,964</u> | <u>\$ (151,802)</u> |

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,377 and utilized commodities valued at \$24,601 for the fiscal year ended June 30, 2015.

FIDUCIARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

| | <u>Agency</u> | | <u>Total Agency Funds</u> | <u>Unemployment Compensation Trust</u> |
|---------------------------------------|----------------|-----------------------------|-----------------------------------|------------------------------------------------|
| | <u>Payroll</u> | <u>Student Activity</u> | | |
| <u>ASSETS:</u> | | | | |
| Cash and Cash Equivalents | \$ 693,715 | \$ 95,190 | \$ 788,905 | \$ 61,921 |
| Interfund Receivable - General Fund | | | | 177,000 |
| Total Assets | <u>693,715</u> | <u>95,190</u> | <u>788,905</u> | <u>238,921</u> |
| <u>LIABILITIES:</u> | | | | |
| Payroll Deductions and Withholdings | 134,984 | | 134,984 | |
| Interfund Payable - General Fund | 12,986 | | 12,986 | |
| Accrued Salaries and Wages | 545,745 | | 545,745 | |
| Due to Student Groups | | 95,190 | 95,190 | |
| Total Liabilities | <u>693,715</u> | <u>95,190</u> | <u>788,905</u> | |
| <u>NET POSITION:</u> | | | | |
| Held in Trust for Unemployment Claims | | | | <u>238,921</u> |
| Total Net Position | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 238,921</u> |

Exhibit H-2

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Unemployment Compensation Trust</u> |
|----------------------------------------------------|--------------------------------------------|
| ADDITIONS: | |
| Contributions: | |
| Employer Contributions | \$ 100,000 |
| Employee Contributions | 40,855 |
| Total Contributions | <u>140,855</u> |
| Investment Earnings: | |
| Interest | 108 |
| Net Investment Earnings | <u>108</u> |
| Total Additions | <u>140,963</u> |
| DEDUCTIONS: | |
| Quarterly Contribution Reports/Unemployment Claims | <u>129,989</u> |
| Total Deductions | <u>129,989</u> |
| Change in Net Position | 10,974 |
| Net Position - Beginning of the Year | <u>227,947</u> |
| Net Position - End of the Year | <u><u>\$ 238,921</u></u> |

Exhibit H-3

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Balance</u> <u>July 1, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2015</u> |
|---------------------------|---------------------------------------|-------------------|-------------------|----------------------------------------|
| <u>ASSETS:</u> | | | | |
| Cash and Cash Equivalents | \$ 78,362 | \$ 151,808 | \$ 134,980 | \$ 95,190 |
| Total Assets | <u>\$ 78,362</u> | <u>\$ 151,808</u> | <u>\$ 134,980</u> | <u>\$ 95,190</u> |
| <u>LIABILITIES:</u> | | | | |
| Liabilities: | | | | |
| Due to Student Groups | \$ 78,362 | \$ 151,808 | \$ 134,980 | \$ 95,190 |
| Total Liabilities | <u>\$ 78,362</u> | <u>\$ 151,808</u> | <u>\$ 134,980</u> | <u>\$ 95,190</u> |

Exhibit H-4

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Balance</u> <u>July 1, 2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2015</u> |
|----------------------------------------|---------------------------------------|----------------------|----------------------|----------------------------------------|
| <u>ASSETS:</u> | | | | |
| Cash and Cash Equivalents | \$ 698,282 | \$ 24,836,624 | \$ 24,841,191 | \$ 693,715 |
| Total Assets | <u>\$ 698,282</u> | <u>\$ 24,836,624</u> | <u>\$ 24,841,191</u> | <u>\$ 693,715</u> |
| <u>LIABILITIES:</u> | | | | |
| Payroll Deductions and Withholdings | \$ 110,740 | \$ 24,295,094 | \$ 24,270,850 | \$ 134,984 |
| Interfund Payable - General Fund | 17,671 | 406 | 5,091 | 12,986 |
| Accrued Salaries and Wages | 569,871 | 541,124 | 565,250 | 545,745 |
| Total Liabilities | <u>\$ 698,282</u> | <u>\$ 24,836,624</u> | <u>\$ 24,841,191</u> | <u>\$ 693,715</u> |

LONG-TERM DEBT

Exhibit I-2

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

| <u>Purpose</u> | <u>Amount of Original Issue</u> | <u>Interest Rate</u> | <u>Balance July 1, 2014</u> | <u>Matured or Retired</u> | <u>Balance June 30, 2015</u> |
|----------------|-----------------------------------------|--------------------------|---------------------------------|-------------------------------|----------------------------------|
| 2009 Copiers | \$ 157,406 | N/A | <u>\$ 2,957</u> | <u>\$ 2,957</u> | <u>\$ -0-</u> |

N/A - Not Available

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

| | <u>Exhibit</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p> | J-1 thru J-5 |
| <p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p> | J-6 thru J-9 |
| <p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p> | J-10 thru J-13 |
| <p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p> | J-14 thru J-15 |
| <p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p> | J-16 thru J-20 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

| | June 30, | | | | |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$ 1,443,659 | \$ 1,974,968 | \$ 2,670,029 | \$ 3,770,320 | \$ 4,100,593 |
| Restricted | 39,453 | 1,107,388 | 1,436,065 | 504,187 | 295,451 |
| Unrestricted/(Deficit) | (477,376) | (671,190) | (643,835) | (971,520) | (1,268,685) |
| Total Governmental Activities Net Position | <u>\$ 1,005,736</u> | <u>\$ 2,411,166</u> | <u>\$ 3,462,259</u> | <u>\$ 3,302,987</u> | <u>\$ 3,127,359</u> |
| Business-type Activities | | | | | |
| Net Investment in Capital Assets | \$ 20,977 | \$ 12,911 | \$ 28,799 | \$ 19,451 | \$ 10,103 |
| Unrestricted | 66,961 | 103,352 | 155,484 | 218,752 | 260,900 |
| Total Business-type Activities Net Position | <u>\$ 87,938</u> | <u>\$ 116,263</u> | <u>\$ 184,283</u> | <u>\$ 238,203</u> | <u>\$ 271,003</u> |
| District-wide | | | | | |
| Net Investment in Capital Assets | \$ 1,464,636 | \$ 1,987,879 | \$ 2,698,828 | \$ 3,789,771 | \$ 4,110,696 |
| Restricted | 39,453 | 1,107,388 | 1,436,065 | 504,187 | 295,451 |
| Unrestricted/(Deficit) | (410,415) | (567,838) | (488,351) | (752,768) | (1,007,785) |
| Total District Net Position | <u>\$ 1,093,674</u> | <u>\$ 2,527,429</u> | <u>\$ 3,646,542</u> | <u>\$ 3,541,190</u> | <u>\$ 3,398,362</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

| | June 30, | | | | |
|----------------------------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014* | 2015 |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$ 4,085,016 | \$ 4,171,393 | \$ 4,541,835 | \$ 4,426,455 | \$ 4,669,704 |
| Restricted | 57,896 | 783,856 | 2,015,681 | 2,785,800 | 3,429,754 |
| Unrestricted/(Deficit) | (659,916) | (222,561) | (471,386) | (6,932,568) | (6,651,551) |
| Total Governmental Activities Net Position | <u>\$ 3,482,996</u> | <u>\$ 4,732,688</u> | <u>\$ 6,086,130</u> | <u>\$ 279,687</u> | <u>\$ 1,447,907</u> |
| Business-type Activities | | | | | |
| Net Investment in Capital Assets | \$ 14,124 | \$ 11,852 | \$ 54,554 | \$ 45,434 | \$ 44,334 |
| Unrestricted | 270,217 | 294,664 | 267,452 | 291,349 | 320,376 |
| Total Business-type Activities Net Position | <u>\$ 284,341</u> | <u>\$ 306,516</u> | <u>\$ 322,006</u> | <u>\$ 336,783</u> | <u>\$ 364,710</u> |
| District-wide | | | | | |
| Net Investment in Capital Assets | \$ 4,099,140 | \$ 4,183,245 | \$ 4,596,389 | \$ 4,471,889 | \$ 4,714,038 |
| Restricted | 57,896 | 783,856 | 2,015,681 | 2,785,800 | 3,429,754 |
| Unrestricted/(Deficit) | (389,699) | 72,103 | (203,934) | (6,641,219) | (6,331,175) |
| Total District Net Position | <u>\$ 3,767,337</u> | <u>\$ 5,039,204</u> | <u>\$ 6,408,136</u> | <u>\$ 616,470</u> | <u>\$ 1,812,617</u> |

* Restated

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Expenses | | | | | |
| Governmental activities | | | | | |
| Instruction: | | | | | |
| Regular | \$ 8,499,881 | \$ 8,897,855 | \$ 9,223,292 | \$ 8,686,521 | \$ 9,282,440 |
| Special Education | 4,816,355 | 4,684,723 | 4,793,484 | 5,156,734 | 5,619,874 |
| Other Special Instruction | 71,153 | 301,897 | 612,202 | 485,638 | 405,347 |
| School Sponsored/Other Instruction | 554,569 | 354,211 | 307,730 | 351,185 | 439,234 |
| Support Services: | | | | | |
| Tuition | | 238,603 | 124,837 | 326,969 | 152,192 |
| Student & Instruction Related Services | 2,886,831 | 3,011,530 | 3,065,275 | 3,069,196 | 3,224,294 |
| General Administrative Services | 591,452 | 614,145 | 626,596 | 620,198 | 369,281 |
| School Administrative Services | 907,690 | 942,613 | 982,252 | 1,082,295 | 925,112 |
| Central Services | | 355,983 | 315,738 | 366,723 | 403,258 |
| Administrative Information Technology | | 234,173 | 275,762 | 201,549 | 183,970 |
| Plant Operations and Maintenance | 1,859,028 | 1,689,204 | 2,008,681 | 1,966,154 | 2,050,404 |
| Pupil Transportation | 1,895,188 | 1,747,437 | 1,764,018 | 1,887,345 | 1,977,677 |
| Business and Other Support Services | 565,236 | | | | |
| Transfer of Funds to Charter School | | 48,953 | 68,437 | 218,180 | 365,959 |
| Interest on Long-term Debt | 48,322 | 11,098 | 7,763 | 312 | |
| Unallocated Depreciation | | 109,736 | 140,494 | 185,133 | 208,287 |
| Capital Outlay | | 21,706 | 15,049 | | |
| Total Governmental Activities Expenses | <u>22,695,705</u> | <u>23,242,161</u> | <u>24,331,610</u> | <u>24,604,132</u> | <u>25,607,329</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

| | Fiscal Year Ending June 30, | | | | |
|-------------------------------------------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Business-type Activities: | | | | | |
| Food Service | \$ 492,871 | \$ 500,136 | \$ 421,354 | \$ 414,776 | \$ 404,179 |
| Care Program | 107,535 | 130,286 | 155,414 | 144,124 | 144,834 |
| Total Business-type Activities Expense | <u>600,406</u> | <u>630,422</u> | <u>576,768</u> | <u>558,900</u> | <u>549,013</u> |
| Total District Expenses | <u>\$ 23,296,111</u> | <u>\$ 23,872,583</u> | <u>\$ 24,908,378</u> | <u>\$ 25,163,032</u> | <u>\$ 26,156,342</u> |
| Program Revenues: | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| Instruction (Tuition) | \$ 376,123 | \$ 225,094 | \$ 180,987 | \$ 81,398 | \$ 89,441 |
| Transportation Fees | | | | | |
| Operating Grants and Contributions | <u>4,396,290</u> | <u>5,221,358</u> | <u>5,079,519</u> | <u>3,897,240</u> | <u>5,143,102</u> |
| Total Governmental Activities Program Revenues | <u>4,772,413</u> | <u>5,446,452</u> | <u>5,260,506</u> | <u>3,978,638</u> | <u>5,232,543</u> |
| Business-type Activities: | | | | | |
| Charges for Services: | | | | | |
| Food Service | 330,309 | 349,986 | 300,933 | 299,890 | 273,174 |
| Care Program | 118,782 | 163,055 | 158,923 | 165,992 | 146,821 |
| Operating Grants and Contributions | <u>152,641</u> | <u>148,055</u> | <u>158,654</u> | <u>146,524</u> | <u>156,154</u> |
| Total Business-type Activities Program Revenues | <u>601,732</u> | <u>661,096</u> | <u>618,510</u> | <u>612,406</u> | <u>576,149</u> |
| Total District Program Revenues | <u>\$ 5,374,145</u> | <u>\$ 6,107,548</u> | <u>\$ 5,879,016</u> | <u>\$ 4,591,044</u> | <u>\$ 5,808,692</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (17,923,292) | \$ (17,795,709) | \$ (19,071,104) | \$ (20,625,494) | \$ (20,374,786) |
| Business-Type Activities | <u>1,326</u> | <u>30,674</u> | <u>41,742</u> | <u>53,506</u> | <u>27,136</u> |
| Total District-Wide Net Expense | <u>\$ (17,921,966)</u> | <u>\$ (17,765,035)</u> | <u>\$ (19,029,362)</u> | <u>\$ (20,571,988)</u> | <u>\$ (20,347,650)</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

(Continued)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Property Taxes Levied for General Purposes, net | \$ 12,394,741 | \$ 13,169,324 | \$ 13,798,601 | \$ 13,798,601 | \$ 14,223,504 |
| Taxes Levied for Debt Service | 79,537 | 95,332 | 132,626 | 130,432 | |
| Unrestricted Grants and Contributions | 5,767,062 | 5,784,695 | 6,046,567 | 6,434,132 | 5,908,799 |
| Miscellaneous Income | 117,637 | 109,504 | 169,638 | 103,057 | 66,855 |
| Cancellation of Prior Year Accounts Payable | | 63,990 | | | |
| Board Contribution - Capital Assets | | | (25,235) | | |
| Gain on Disposal of Assets, Net of Related Debt | 55,599 | | | | |
| Total Governmental Activities | <u>18,414,576</u> | <u>19,222,845</u> | <u>20,122,197</u> | <u>20,466,222</u> | <u>20,199,158</u> |
| Business-type Activities: | | | | | |
| Interest Income | 1,004 | 1,414 | 1,043 | 414 | 483 |
| Board Contribution - Capital Assets | | | 25,235 | | |
| Cancellation of Prior Year Interfund Payable | | | | | 5,181 |
| Adjustment to Capital Assets | | (3,763) | | | |
| Total Business-Type Activities | <u>1,004</u> | <u>1,414</u> | <u>26,278</u> | <u>414</u> | <u>5,664</u> |
| Total District-Wide | <u>\$ 18,415,580</u> | <u>\$ 19,224,259</u> | <u>\$ 20,148,475</u> | <u>\$ 20,466,636</u> | <u>\$ 20,204,822</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ 491,284 | \$ 1,427,136 | \$ 1,051,093 | \$ (159,272) | \$ (175,628) |
| Business-type Activities | 2,330 | 32,088 | 68,020 | 53,920 | 32,800 |
| Total District | <u>\$ 493,614</u> | <u>\$ 1,459,224</u> | <u>\$ 1,119,113</u> | <u>\$ (105,352)</u> | <u>\$ (142,828)</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

(Continued)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------|-----------------------------|--------------|--------------|--------------|--------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | |
| Governmental activities | | | | | |
| Instruction: | | | | | |
| Regular | \$ 8,175,506 | \$ 8,149,112 | \$ 8,550,999 | \$ 8,339,942 | \$ 9,386,010 |
| Special Education | 5,694,972 | 5,727,953 | 5,649,850 | 5,396,907 | 6,147,885 |
| Other Special Instruction | 242,415 | 464,341 | 374,589 | 397,758 | 240,738 |
| School Sponsored/Other Instruction | 71,528 | 105,493 | 87,833 | 114,219 | 204,447 |
| Support Services: | | | | | |
| Tuition | 271,620 | 257,397 | 379,599 | 408,959 | 543,788 |
| Student & Instruction Related Services | 3,065,680 | 3,068,148 | 3,060,216 | 3,126,936 | 3,513,977 |
| General Administrative Services | 506,152 | 524,771 | 514,184 | 509,594 | 550,495 |
| School Administrative Services | 929,181 | 1,022,110 | 1,024,393 | 1,044,383 | 1,090,413 |
| Central Services | 383,641 | 305,373 | 290,377 | 292,390 | 434,597 |
| Administrative Information Technology | 185,099 | 283,268 | 281,431 | 339,086 | 303,185 |
| Plant Operations and Maintenance | 1,906,119 | 1,859,114 | 1,681,990 | 1,767,311 | 1,923,511 |
| Pupil Transportation | 1,886,187 | 1,966,495 | 1,932,957 | 1,962,766 | 1,923,286 |
| Business and Other Support Services | | | | | |
| Transfer of Funds to Charter School | 548,659 | 445,150 | 649,150 | 768,831 | 778,092 |
| Interest on Long-term Debt | | | | | |
| Unallocated Depreciation | 212,038 | 214,594 | 235,956 | 258,381 | 283,294 |
| Capital Outlay | 1,034 | | | | |
| Total Governmental Activities Expenses | 24,079,831 | 24,393,319 | 24,713,524 | 24,727,463 | 27,323,718 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

| | Fiscal Year Ending June 30, | | | | |
|-------------------------------------------------|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Business-type Activities: | | | | | |
| Food Service | \$ 383,217 | \$ 399,442 | \$ 394,381 | \$ 375,682 | \$ 346,436 |
| Care Program | 119,857 | 164,276 | 131,740 | 115,623 | 122,567 |
| Total Business-type Activities Expense | <u>503,074</u> | <u>563,718</u> | <u>526,121</u> | <u>491,305</u> | <u>469,003</u> |
| Total District Expenses | <u>\$ 24,582,905</u> | <u>\$ 24,957,037</u> | <u>\$ 25,239,645</u> | <u>\$ 25,218,768</u> | <u>\$ 27,792,721</u> |
| Program Revenues: | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| Instruction (Tuition) | \$ 114,146 | \$ 153,395 | \$ 144,656 | \$ 61,977 | |
| Transportation Fees | 4,270 | 48,557 | | 53,268 | |
| Operating Grants and Contributions | 3,941,493 | 4,461,440 | 4,656,823 | 4,248,970 | \$ 6,856,688 |
| Total Governmental Activities Program Revenues | <u>4,059,909</u> | <u>4,663,392</u> | <u>4,801,479</u> | <u>4,364,215</u> | <u>6,856,688</u> |
| Business-type Activities: | | | | | |
| Charges for Services: | | | | | |
| Food Service | 238,723 | 236,336 | 212,540 | 203,972 | 175,445 |
| Care Program | 121,900 | 164,718 | 140,229 | 115,293 | 138,521 |
| Operating Grants and Contributions | 155,451 | 184,620 | 188,638 | 186,616 | 182,707 |
| Total Business-type Activities Program Revenues | <u>516,074</u> | <u>585,674</u> | <u>541,407</u> | <u>505,881</u> | <u>496,673</u> |
| Total District Program Revenues | <u>\$ 4,575,983</u> | <u>\$ 5,249,066</u> | <u>\$ 5,342,886</u> | <u>\$ 4,870,096</u> | <u>\$ 7,353,361</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (20,019,922) | \$ (19,729,927) | \$ (19,912,045) | \$ (20,363,248) | \$ (20,467,030) |
| Business-Type Activities | 13,000 | 21,956 | 15,286 | 14,576 | 27,670 |
| Total District-Wide Net Expense | <u>\$ (20,006,922)</u> | <u>\$ (19,707,971)</u> | <u>\$ (19,896,759)</u> | <u>\$ (20,348,672)</u> | <u>\$ (20,439,360)</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)
(Continued)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Property Taxes Levied for General Purposes, net | \$ 14,570,561 | \$ 14,716,267 | \$ 15,010,592 | \$ 15,010,592 | \$ 15,310,804 |
| Taxes Levied for Debt Service | | | | | |
| Unrestricted Grants and Contributions | 5,710,842 | 6,182,065 | 5,986,019 | 6,194,580 | 6,259,289 |
| Miscellaneous Income | 94,156 | 81,287 | 67,421 | 175,939 | 65,157 |
| Cancellation of Prior Year Accounts Payable | | | 201,455 | | |
| Board Contribution - Capital Assets | | | | | |
| Gain on Disposal of Assets, Net of Related Debt | | | | | |
| Total Governmental Activities | <u>20,375,559</u> | <u>20,979,619</u> | <u>21,265,487</u> | <u>21,381,111</u> | <u>21,635,250</u> |
| Business-type Activities: | | | | | |
| Interest Income | 338 | 219 | 204 | 201 | 257 |
| Board Contribution - Capital Assets | | | | | |
| Cancellation of Prior Year Interfund Payable | | | | | |
| Adjustment to Capital Assets | | | | | |
| Total Business-Type Activities | <u>338</u> | <u>219</u> | <u>204</u> | <u>201</u> | <u>257</u> |
| Total District-Wide | <u>\$ 20,375,897</u> | <u>\$ 20,979,838</u> | <u>\$ 21,265,691</u> | <u>\$ 21,381,312</u> | <u>\$ 21,635,507</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ 355,637 | \$ 1,249,692 | \$ 1,353,442 | \$ 1,017,863 | \$ 1,168,220 |
| Business-type Activities | 13,338 | 22,175 | 15,490 | 14,777 | 27,927 |
| Total District | <u>\$ 368,975</u> | <u>\$ 1,271,867</u> | <u>\$ 1,368,932</u> | <u>\$ 1,032,640</u> | <u>\$ 1,196,147</u> |

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

| | June 30, | | | | |
|-----------------------------------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund | | | | | |
| Reserved | \$ 196,079 | \$ 1,109,273 | \$ 1,437,949 | \$ 504,187 | \$ 295,451 |
| Unreserved/(Deficit) | 78,393 | 51,723 | 15,132 | (253,353) | (512,197) |
| Restricted | | | | | |
| Assigned | | | | | |
| Unassigned/(Deficit) | | | | | |
| Total General Fund (Deficit) | <u>\$ 274,472</u> | <u>\$ 1,160,996</u> | <u>\$ 1,453,081</u> | <u>\$ 250,834</u> | <u>\$ (216,746)</u> |
| All Other Governmental Funds | | | | | |
| Committed | | | | | |
| Unreserved / (Deficit) | <u>\$ 36,228</u> | <u>\$ (1,885)</u> | <u>\$ (1,884)</u> | | |
| Total All Other Governmental Funds/ (Deficit) | <u>\$ 36,228</u> | <u>\$ (1,885)</u> | <u>\$ (1,884)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| Total Governmental Funds/(Deficit) | <u>\$ 310,700</u> | <u>\$ 1,159,111</u> | <u>\$ 1,451,197</u> | <u>\$ 250,834</u> | <u>\$ (216,746)</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

| | June 30, | | | | |
|-----------------------------------------------|------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund | | | | | |
| Reserved | | | | | |
| Unreserved/(Deficit) | | | | | |
| Restricted | 57,896 | \$ 783,856 | \$ 2,015,681 | \$ 2,785,800 | \$ 3,429,754 |
| Assigned | | 341,972 | 130,498 | 156,826 | 441,568 |
| Unassigned/(Deficit) | (9,429) | | | | |
| Total General Fund (Deficit) | <u>\$ 48,467</u> | <u>\$ 1,125,828</u> | <u>\$ 2,146,179</u> | <u>\$ 2,942,626</u> | <u>\$ 3,871,322</u> |
| All Other Governmental Funds | | | | | |
| Committed | | \$ 20,000 | \$ 20,000 | \$ 27,637 | \$ 27,637 |
| Unreserved / (Deficit) | | | | | |
| Total All Other Governmental Funds/ (Deficit) | <u>\$ -0-</u> | <u>\$ 20,000</u> | <u>\$ 20,000</u> | <u>\$ 27,637</u> | <u>\$ 27,637</u> |
| Total Governmental Funds/(Deficit) | <u>\$ 48,467</u> | <u>\$ 1,145,828</u> | <u>\$ 2,166,179</u> | <u>\$ 2,970,263</u> | <u>\$ 3,898,959</u> |

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
 (Modified Accrual Basis of Accounting)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues | | | | | |
| Tax Levy | \$ 12,474,278 | \$ 13,264,656 | \$ 13,931,227 | \$ 13,929,033 | \$ 14,223,504 |
| Tuition Charges | 376,123 | 225,094 | 180,987 | 81,398 | 89,441 |
| Transportation Fees | 117,637 | | | | |
| State Sources | 9,542,847 | 10,345,351 | 10,654,505 | 9,561,685 | 9,169,714 |
| Federal Sources | 620,505 | 660,702 | 471,581 | 769,687 | 1,881,862 |
| Miscellaneous | | 109,504 | 169,638 | 103,057 | 67,180 |
| Total Revenue | <u>23,131,390</u> | <u>24,495,803</u> | <u>25,407,938</u> | <u>24,444,860</u> | <u>25,431,701</u> |
| Expenditures | | | | | |
| Instruction | | | | | |
| Regular Instruction | 8,454,397 | 6,176,717 | 6,423,746 | 6,200,637 | 6,624,041 |
| Special Education Instruction | 4,786,196 | 3,318,279 | 3,318,811 | 3,722,377 | 4,128,198 |
| Other Special Instruction | 551,853 | 397,462 | 346,360 | 280,417 | 283,916 |
| School-Sponsored/Other Instruction | 70,780 | 50,469 | 275,118 | 309,296 | 311,056 |
| Support Services: | | | | | |
| Tuition | | 238,603 | 124,837 | 326,969 | 152,192 |
| Student & Other Instruction Related Services | 2,857,879 | 2,198,561 | 2,256,495 | 2,310,485 | 2,389,445 |
| General Administrative Services | 589,973 | 547,014 | 553,788 | 560,909 | 481,386 |
| School Administrative Services | 871,156 | 673,001 | 688,366 | 784,826 | 666,175 |
| Central Services | 558,221 | 265,781 | 272,158 | 285,031 | 315,373 |
| Administrative Information Technology | | 216,283 | 263,164 | 181,647 | 163,826 |
| Plant Operations and Maintenance | 1,824,705 | 1,505,892 | 1,804,136 | 1,707,818 | 1,770,727 |
| Student Transportation | 1,811,939 | 1,663,702 | 1,671,750 | 1,832,858 | 1,801,061 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)
(Continued)

| | Fiscal Year Ending June 30, | | | | |
|------------------------------------------------------------|-----------------------------|-------------------|-------------------|-----------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Expenditures | | | | | |
| Employee Benefits | | \$ 5,851,513 | \$ 6,143,153 | \$ 5,591,123 | \$ 5,942,120 |
| Capital Outlay | \$ 329,471 | 518,673 | 664,367 | 1,277,360 | 661,212 |
| Transfer of Funds to Charter School | | 48,953 | 68,437 | 218,180 | 365,959 |
| Debt Service | | | | | |
| Principal | 331,550 | 199,196 | 204,884 | 210,807 | |
| Interest and Other Charges | 51,216 | 18,069 | 11,047 | 3,733 | |
| Total Expenditures | <u>23,089,336</u> | <u>23,888,168</u> | <u>25,090,617</u> | <u>25,804,473</u> | <u>26,056,687</u> |
| Excess/(Deficit) of Revenues | | | | | |
| Over/(Under) Expenditures | <u>42,054</u> | <u>607,635</u> | <u>317,321</u> | <u>(1,359,613)</u> | <u>(624,986)</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfer to Food Service Fund - | | | | | |
| Purchase of Capital Assets | | | (25,235) | (25,235) | |
| Cancellation of Prior Year Accounts Payable | | 63,990 | | | |
| Cancellation of Prior Year Due to Grantor | | | | | |
| Capital Leases (Non-Budgeted) | 294,131 | 67,282 | | 159,250 | 157,406 |
| Total Other Financing Sources/(Uses) | <u>294,131</u> | <u>131,272</u> | <u>(25,235)</u> | <u>134,015</u> | <u>157,406</u> |
| Net Change in Fund Balances | <u>\$ 336,185</u> | <u>\$ 738,907</u> | <u>\$ 292,086</u> | <u>\$ (1,225,598)</u> | <u>\$ (467,580)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | <u>1.68%</u> | <u>0.93%</u> | <u>0.88%</u> | <u>0.87%</u> | <u>0.00%</u> |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
 (Modified Accrual Basis of Accounting)
 (Continued)

| | Fiscal Year Ending June 30, | | | | |
|----------------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | |
| Tax Levy | \$ 14,570,561 | \$ 14,716,267 | \$ 15,010,592 | \$ 15,010,592 | \$ 15,310,804 |
| Tuition Charges | 114,146 | 153,395 | 144,656 | 61,977 | |
| Transportation Fees | 4,270 | 48,557 | | 53,268 | |
| State Sources | 8,912,886 | 9,559,972 | 9,783,139 | 9,714,372 | 10,074,504 |
| Federal Sources | 733,399 | 1,083,034 | 859,703 | 729,078 | 737,985 |
| Miscellaneous | 80,518 | 81,786 | 67,421 | 176,039 | 65,157 |
| Total Revenue | <u>24,415,780</u> | <u>25,643,011</u> | <u>25,865,511</u> | <u>25,745,326</u> | <u>26,188,450</u> |
| Expenditures | | | | | |
| Instruction | | | | | |
| Regular Instruction | 5,665,603 | 5,517,365 | 5,746,723 | 5,776,888 | 5,830,314 |
| Special Education Instruction | 3,965,740 | 3,925,211 | 3,918,103 | 3,786,346 | 3,894,236 |
| Other Special Instruction | 162,317 | 326,961 | 253,992 | 267,191 | 182,566 |
| School-Sponsored/Other Instruction | 48,583 | 48,405 | 53,855 | 80,265 | 93,912 |
| Support Services: | | | | | |
| Tuition | 271,620 | 257,397 | 379,599 | 408,959 | 543,788 |
| Student & Other Instruction Related Services | 2,184,446 | 2,156,755 | 2,184,682 | 2,259,235 | 2,342,721 |
| General Administrative Services | 454,837 | 464,349 | 448,139 | 442,132 | 466,473 |
| School Administrative Services | 658,132 | 684,091 | 697,032 | 720,727 | 689,019 |
| Central Services | 283,560 | 247,816 | 245,837 | 244,932 | 299,833 |
| Administrative Information Technology | 157,274 | 254,642 | 250,927 | 303,537 | 260,961 |
| Plant Operations and Maintenance | 1,624,296 | 1,570,524 | 1,444,891 | 1,522,384 | 1,552,161 |
| Student Transportation | 1,741,345 | 1,756,419 | 1,718,613 | 1,697,806 | 1,620,347 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)
(Continued)

| | Fiscal Year Ending June 30, | | | | |
|---------------------------------------------|-----------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenditures | | | | | |
| Employee Benefits | \$ 6,170,756 | \$ 6,513,736 | \$ 6,275,342 | \$ 6,060,598 | \$ 6,021,058 |
| Capital Outlay | 233,087 | 376,829 | 779,730 | 601,411 | 684,273 |
| Transfer of Funds to Charter School | 548,659 | 445,150 | 649,150 | 768,831 | 778,092 |
| Debt Service | | | | | |
| Principal | | | | | |
| Interest and Other Charges | | | | | |
| Total Expenditures | <u>24,170,255</u> | <u>24,545,650</u> | <u>25,046,615</u> | <u>24,941,242</u> | <u>25,259,754</u> |
| Excess/(Deficit) of Revenues | | | | | |
| Over/(Under) Expenditures | <u>245,525</u> | <u>1,097,361</u> | <u>818,896</u> | <u>804,084</u> | <u>928,696</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfer to Food Service Fund - | | | | | |
| Purchase of Capital Assets | | | | | |
| Cancellation of Prior Year Accounts Payable | | | 201,455 | | |
| Cancellation of Prior Year Due to Grantor | 19,688 | | | | |
| Capital Leases (Non-Budgeted) | | | | | |
| Total Other Financing Sources/(Uses) | <u>19,688</u> | | <u>201,455</u> | | |
| Net Change in Fund Balances | <u>\$ 265,213</u> | <u>\$ 1,097,361</u> | <u>\$ 1,020,351</u> | <u>\$ 804,084</u> | <u>\$ 928,696</u> |
| Debt Service as a Percentage of | | | | | |
| Noncapital Expenditures | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |

Source: School District Financial Reports

Exhibit J-5

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN 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>Tuition</u> | <u>Transportation</u> <u>Revenue</u> | <u>Miscellaneous</u> | <u>Total</u> |
|----------------------------------------------|------------------------------------------|----------------|-----------------------------------------|----------------------|--------------|
| 2006 | \$ 28,377 | \$ 376,123 | | \$ 89,260 | \$ 493,760 |
| 2007 | 78,055 | 225,094 | | 31,449 | 334,598 |
| 2008 | 58,307 | 180,987 | | 111,331 | 350,625 |
| 2009 | 23,591 | 81,398 | | 79,466 | 184,455 |
| 2010 | 14,307 | 89,441 | | 52,548 | 156,296 |
| 2011 | 3,494 | 114,146 | \$ 4,270 | 70,974 | 192,884 |
| 2012 | 4,739 | 153,395 | 48,557 | 56,548 | 263,239 |
| 2013 | 7,232 | 144,656 | | 60,189 | 212,077 |
| 2014 | 7,777 | 61,977 | 53,268 | 117,482 | 240,504 |
| 2015 | 4,426 | | | 60,731 | 65,157 |

Source: School District records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
LAST TEN YEARS
UNAUDITED

| Year Ended Dec. 31, | Vacant Land | Residential | Farm Regular | Farm Qualified | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|----------------------------|----------------|---------------|-----------------|-------------------|---------------|------------|--------------|----------------------------|----------------------------------|--------------------------|-------------------------------------------------|-------------------------------------------------|
| <u>Borough of Sussex</u> | | | | | | | | | | | | |
| 2005 | \$ 828,300 | \$ 52,967,800 | \$ 373,900 | \$ 21,100 | \$ 16,615,600 | \$ 496,100 | \$ 6,896,000 | \$ 78,198,800 | \$ 1,270,117 | \$ 79,468,917 | 2.37 | \$ 107,786,079 |
| 2006 | 952,900 | 52,464,500 | 373,900 | 21,100 | 16,908,700 | 464,900 | 6,896,000 | 78,082,000 | 1,423,066 | 79,505,066 | 2.54 | 128,259,150 |
| 2007 | 1,015,800 | 52,863,000 | 373,900 | 21,100 | 16,975,900 | 464,900 | 6,896,000 | 78,610,600 | 1,270,985 | 79,881,585 | 2.60 | 139,788,875 |
| 2008 | 1,021,300 | 53,019,900 | 373,900 | 21,100 | 16,578,200 | 464,900 | 6,896,000 | 78,375,300 | 1,300,612 | 79,675,912 | 2.60 | 148,289,432 |
| 2009 | 1,069,900 | 52,983,900 | 373,900 | 20,400 | 16,578,200 | 474,100 | 6,896,000 | 78,396,400 | 1,341,249 | 79,737,649 | 2.53 | 149,022,809 |
| 2010 | 994,800 | 53,417,900 | 373,900 | 20,400 | 16,600,200 | 474,100 | 6,896,000 | 78,777,300 | 857,595 | 79,634,895 | 2.62 | 161,479,129 |
| 2011 | 960,900 | 53,446,500 | 373,900 | 20,400 | 16,533,600 | 474,100 | 6,896,000 | 78,705,400 | 717,621 | 79,423,021 | 2.71 | 142,202,611 |
| 2012 | 963,700 | 53,339,500 | 373,900 | 20,400 | 16,533,600 | 474,100 | 6,896,000 | 78,601,200 | 505,353 | 79,106,553 | 2.73 | 144,178,764 |
| 2013 | * 1,732,400 | 81,631,500 | 640,100 | 21,500 | 25,708,300 | 721,600 | 16,707,400 | 127,162,800 | 662,927 | 127,825,727 | 1.75 | 132,158,837 |
| 2014 | 1,804,600 | 80,772,200 | 640,100 | 21,500 | 25,254,600 | 787,300 | 16,234,700 | 125,515,000 | 835,798 | 126,350,798 | 1.74 | 123,628,837 |
| <u>Township of Wantage</u> | | | | | | | | | | | | |
| 2005 | 21,454,000 | 482,019,645 | 62,988,200 | 10,098,140 | 50,224,500 | 575,500 | 3,242,600 | 630,602,585 | 2,226,038 | 632,828,623 | 2.63 | 981,738,478 |
| 2006 | * 71,348,000 | 1,084,743,700 | 143,743,200 | 8,580,269 | 106,481,535 | 1,157,200 | 5,978,200 | 1,422,032,104 | 3,362,349 | 1,425,394,453 | 1.25 | 1,135,882,633 |
| 2007 | 67,330,400 | 1,091,602,300 | 144,279,000 | 8,356,449 | 105,338,862 | 1,157,200 | 5,978,200 | 1,424,042,411 | 3,190,770 | 1,427,233,181 | 1.31 | 1,303,479,680 |
| 2008 | 60,436,760 | 1,110,616,200 | 146,707,600 | 7,487,196 | 113,178,362 | 1,157,200 | 5,822,300 | 1,445,405,618 | 3,113,175 | 1,448,518,793 | 1.33 | 1,533,797,960 |
| 2009 | 59,181,060 | 1,119,347,900 | 149,236,000 | 8,382,456 | 113,353,662 | 761,300 | 5,822,300 | 1,456,084,678 | 2,298,850 | 1,458,383,528 | 1.36 | 1,549,245,517 |
| 2010 | 55,259,940 | 1,122,400,900 | 148,895,700 | 7,579,076 | 115,230,735 | 761,300 | 5,822,300 | 1,455,949,951 | 3,113,073 | 1,459,063,024 | 1.40 | 1,460,073,411 |
| 2011 | 51,572,340 | 1,118,998,800 | 151,709,500 | 7,728,476 | 114,954,935 | 961,300 | 5,822,300 | 1,451,747,651 | 3,405,033 | 1,455,152,684 | 1.40 | 1,375,590,329 |
| 2012 | 45,769,389 | 1,065,045,000 | 152,009,100 | 7,633,487 | 114,722,735 | 961,300 | 5,822,300 | 1,391,963,311 | 3,619,926 | 1,395,583,237 | 1.48 | 1,276,603,496 |
| 2013 | 42,071,360 | 1,057,651,000 | 150,677,900 | 7,677,793 | 114,525,205 | 961,300 | 5,822,300 | 1,379,386,858 | 3,447,661 | 1,382,834,519 | 1.49 | 1,212,594,551 |
| 2014 | 30,572,600 | 899,760,106 | 133,737,300 | 7,501,900 | 116,927,091 | 1,541,400 | 11,621,250 | 1,201,661,647 | 3,383,457 | 1,205,045,104 | 1.72 | 1,195,626,385 |

* Revaluation was effective in this year.

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 ordered by the County Board of Taxation

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

^b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

Exhibit J-7

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

| Year Ended December 31, | School District Direct Rate | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|----------------------------|--------------------------------|----------------------------------------------------|--------------------------|-------------------|------------------|------------------------------------------------|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct Tax Rate | Municipality | Sussex County | |
| <u>Borough of Sussex</u> | | | | | | |
| 2005 | \$ 2.19 | \$ 0.18 | \$ 2.37 | \$ 0.57 | \$ 0.64 | \$ 3.58 |
| 2006 | 2.517 | 0.018 | 2.535 | 0.595 | 0.578 | 3.708 |
| 2007 | 2.578 | 0.025 | 2.603 | 0.663 | 0.709 | 3.975 |
| 2008 | 2.591 | 0.012 | 2.596 | 0.754 | 0.735 | 4.085 |
| 2009 | 2.529 | -0- | 2.529 | 0.770 | 0.711 | 4.010 |
| 2010 | 2.615 | -0- | 2.615 | 0.912 | 0.820 | 4.347 |
| 2011 | 2.707 | -0- | 2.707 | 0.982 | 0.774 | 4.463 |
| 2012 | 2.731 | -0- | 2.731 | 1.006 | 0.848 | 4.585 |
| 2013 | * 1.752 | -0- | 1.752 | 0.668 | 0.509 | 2.929 |
| 2014 | 1.743 | -0- | 1.743 | 0.673 | 0.499 | 2.915 |
| <u>Township of Wantage</u> | | | | | | |
| 2005 | \$ 2.43 | \$ 0.20 | \$ 2.63 | \$ 0.33 | \$ 0.74 | \$ 3.70 |
| 2006 | * 1.237 | 0.009 | 1.246 | 0.143 | 0.284 | 1.673 |
| 2007 | 1.298 | 0.012 | 1.310 | 0.179 | 0.368 | 1.857 |
| 2008 | 1.304 | 0.006 | 1.331 | 0.195 | 0.376 | 1.902 |
| 2009 | 1.359 | -0- | 1.359 | 0.210 | 0.404 | 1.973 |
| 2010 | 1.395 | -0- | 1.395 | 0.238 | 0.403 | 2.036 |
| 2011 | 1.398 | -0- | 1.398 | 0.246 | 0.408 | 2.052 |
| 2012 | 1.475 | -0- | 1.475 | 0.240 | 0.422 | 2.137 |
| 2013 | 1.492 | -0- | 1.492 | 0.245 | 0.431 | 2.168 |
| 2014 | 1.721 | -0- | 1.721 | 0.280 | 0.519 | 2.520 |

* Revaluation was effective in this year.

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 calculation.

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.

Source: Municipal Tax Collector and School Business Administrator

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2014 | | | Taxpayer | 2005 | | |
|-----------------------------|------------------------|------|----------------------------------------|----------|------------------------|------|----------------------------------------|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| <u>Borough of Sussex</u> | | | | | | | |
| Alpine Village Apt LLC | \$ 9,192,800 | 1 | 7.19% | | | | |
| Wilson Manor Associates | 3,700,000 | 2 | 2.89% | | | | |
| Franklin Sussex Realty LLC | 1,929,500 | 3 | 1.51% | | | | |
| RBDN LLC (c/o NASP) | 1,896,300 | 4 | 1.48% | | | | Information Not Available |
| Individual Taxpayer #1 | 1,852,400 | 5 | 1.45% | | | | |
| Sussex Plaza Realty LLC | 1,170,600 | 6 | 0.92% | | | | |
| Sussex Creamery LLC | 1,046,800 | 7 | 0.82% | | | | |
| Individual Taxpayer #2 | 975,000 | 8 | 0.76% | | | | |
| Munson Street Dev. LLC | 894,200 | 9 | 0.70% | | | | |
| JP Morgan Chase | 859,300 | 10 | 0.67% | | | | |
| Total | <u>\$ 23,516,900</u> | | <u>18.40%</u> | | | | |
| <u>Township of Wantage</u> | | | | | | | |
| Mainland Sussex Co | \$ 11,449,000 | 1 | 0.83% | | | | |
| Wantage 2002 LLC | 11,200,500 | 2 | 0.81% | | | | |
| Tenneco Inc | 9,871,200 | 3 | 0.71% | | | | |
| Awbury Apartments LP | 6,294,000 | 4 | 0.46% | | | | |
| Ames Rubber | 5,389,100 | 5 | 0.39% | | | | Information Not Available |
| Space Farms | 4,376,900 | 6 | 0.32% | | | | |
| PS LLC | 2,917,400 | 7 | 0.21% | | | | |
| MAJ Wantage Land LLC | 2,840,000 | 8 | 0.21% | | | | |
| Sussex Rural Electric Corp. | 3,132,700 | 9 | 0.23% | | | | |
| Majestic Hills, Inc. | 2,753,600 | 10 | 0.20% | | | | |
| Total | <u>\$ 60,224,400</u> | | <u>4.36%</u> | | | | |

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

| <u>Fiscal Year</u> <u>Ended June 30,</u> | <u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u> | <u>Collected within the</u> <u>Fiscal Year of the Levy^a</u> | | <u>Collections in</u> <u>Subsequent</u> <u>Years</u> |
|---------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------|
| | | <u>Amount</u> | <u>Percentage</u> <u>of Levy</u> | |
| 2006 | \$ 12,474,278 | \$ 12,474,278 | 100.00% | \$ -0- |
| 2007 | 13,264,656 | 13,264,656 | 100.00% | -0- |
| 2008 | 13,931,227 | 13,549,059 | 97.26% | 382,168 |
| 2009 | 13,929,033 | 13,929,033 | 100.00% | -0- |
| 2010 | 14,223,504 | 14,223,504 | 100.00% | -0- |
| 2011 | 14,570,561 | 14,570,561 | 100.00% | -0- |
| 2012 | 14,716,267 | 14,716,267 | 100.00% | -0- |
| 2013 | 15,010,592 | 15,010,592 | 100.00% | -0- |
| 2014 | 15,010,592 | 14,887,800 | 99.18% | 122,792 |
| 2015 | 15,310,804 | 15,310,804 | 100.00% | -0- |

- 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.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ended June 30, | Governmental Activities | | | | Bond Anticipation Notes (BANs) | Business-Type | Total District | Percentage of Personal Income ^a | Debt Per Capita ^a |
|----------------------------------|-------------------------|-------------------------------------|-------------------|------------|-----------------------------------------|-------------------|----------------|--------------------------------------------------|---------------------------------|
| | Loans | Certificates of Participation | Capital Leases | Activities | | Capital Leases | | | |
| 2006 | \$ 614,888 | -0- | \$ 558,607 | -0- | -0- | \$ 1,173,495 | 0.2012% | \$ 87.45 | |
| 2007 | 415,691 | -0- | 451,672 | -0- | -0- | 867,363 | 0.1386% | 64.05 | |
| 2008 | 210,807 | -0- | 293,375 | -0- | -0- | 504,182 | 0.0753% | 36.84 | |
| 2009 | -0- | -0- | 250,190 | -0- | -0- | 250,190 | 0.0367% | 18.24 | |
| 2010 | -0- | -0- | 249,187 | -0- | -0- | 249,187 | 0.0374% | 18.14 | |
| 2011 | -0- | -0- | 171,130 | -0- | -0- | 171,130 | 0.0259% | 12.69 | |
| 2012 | -0- | -0- | 103,462 | -0- | -0- | 103,462 | 0.0152% | 7.71 | |
| 2013 | -0- | -0- | 37,499 | -0- | -0- | 37,499 | 0.0054% | 2.79 | |
| 2014 | -0- | -0- | 2,957 | -0- | -0- | 2,957 | 0.0004% | 0.22 | |
| 2015 | -0- | -0- | -0- | -0- | -0- | -0- | 0.0000% | -0- | |

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

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

Exhibit J-11

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ended June 30, | General Bonded Debt Outstanding | | | Percentage of Net Valuation ^a Taxable | Per Capita ^b |
|-------------------------------------|----------------------------------|------------|-------------------------------------------|-----------------------------------------------------------|-------------------------|
| | General Obligation Bonds * | Deductions | Net General Bonded Debt Outstanding | | |
| 2006 | \$ 614,888 | -0- | \$ 614,888 | 0.09% | \$ 45.82 |
| 2007 | 415,691 | -0- | 415,691 | 0.03% | 30.70 |
| 2008 | 210,807 | -0- | 210,807 | 0.01% | 15.41 |
| 2009 | -0- | -0- | -0- | 0.00% | -0- |
| 2010 | -0- | -0- | -0- | 0.00% | -0- |
| 2011 | -0- | -0- | -0- | 0.00% | -0- |
| 2012 | -0- | -0- | -0- | 0.00% | -0- |
| 2013 | -0- | -0- | -0- | 0.00% | -0- |
| 2014 | -0- | -0- | -0- | 0.00% | -0- |
| 2015 | -0- | -0- | -0- | 0.00% | -0- |

* - Loans

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Exhibit J-12

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

| <u>Governmental Unit</u> | <u>Debt</u> <u>Outstanding</u> | <u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u> | <u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u> |
|--------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Debt Repaid With Property Taxes | | | |
| Borough of Sussex | \$ 328,353 | 100.00% | \$ 328,353 |
| Township of Wantage | 8,872,719 | 100.00% | 8,872,719 |
| High Point Regional High School (Borough Share) | 190,000 | 4.72% | 8,968 |
| High Point Regional High School (Township Share) | 190,000 | 44.93% | 85,373 |
| Sussex County General Obligation Debt (Borough Share) | 68,100,067 | 0.81% | 549,865 |
| Sussex County General Obligation Debt (Township Share) | 68,100,067 | 7.68% | 5,229,506 |
| Subtotal, Overlapping Debt | | | 15,074,785 |
| Sussex-Wantage Regional School District Direct Debt | | | -0- |
| Total Direct and Overlapping Debt | | | <u>\$ 15,074,785</u> |

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 Sussex Borough and Wantage Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

Exhibit J-13

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Equalized Valuation Basis:

| | Legal Debt Margin Calculation for Fiscal Year 2015 | | |
|-------------------------------------------------------------|----------------------------------------------------|-------------------------|-------------------------|
| | Sussex Borough | Wantage Township | Total |
| 2014 | \$ 122,793,039 | \$ 1,192,242,928 | \$ 1,315,035,967 |
| 2013 | 120,854,210 | 1,175,747,407 | 1,296,601,617 |
| 2012 | 132,839,615 | 1,215,928,993 | 1,348,768,608 |
| | <u>\$ 376,486,864</u> | <u>\$ 3,583,919,328</u> | <u>\$ 3,960,406,192</u> |
| Average Equalized Valuation of Taxable Property | | | <u>\$ 1,320,135,397</u> |
| Debt Limit (3% of average equalization value ^a) | | | \$ 39,604,062 |
| Net Bonded Debt as of June 30, 2015 | | | -0- |
| Legal Debt Margin | | | <u>\$ 39,604,062</u> |

| | Fiscal Year | | | | |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Debt Limit | \$ 31,781,219 | \$ 37,120,345 | \$ 41,820,249 | \$ 46,446,512 | \$ 48,289,880 |
| Total Net Debt Applicable to Limit | 614,888 | 415,691 | 210,807 | -0- | -0- |
| Legal Debt Margin | <u>\$ 31,166,331</u> | <u>\$ 36,704,654</u> | <u>\$ 41,609,442</u> | <u>\$ 46,446,512</u> | <u>\$ 48,289,880</u> |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 1.93% | 1.12% | 0.50% | 0.00% | 0.00% |

| | Fiscal Year | | | | |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Debt Limit | \$ 47,971,186 | \$ 45,861,790 | \$ 43,251,290 | \$ 41,108,009 | \$ 39,604,062 |
| Total Net Debt Applicable to Limit | -0- | -0- | -0- | -0- | -0- |
| Legal Debt Margin | <u>\$ 47,971,186</u> | <u>\$ 45,861,790</u> | <u>\$ 43,251,290</u> | <u>\$ 41,108,009</u> | <u>\$ 39,604,062</u> |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable other districts.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Wantage Township

| <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 | \$ 11,394 | \$ 526,653,468 | \$ 46,222 | 5.70% |
| 2007 | 11,529 | 563,917,977 | 48,913 | 5.50% |
| 2008 | 11,579 | 575,974,197 | 49,743 | 7.00% |
| 2009 | 11,601 | 562,822,515 | 48,515 | 11.50% |
| 2010 | 11,353 | 555,502,290 | 48,930 | 12.20% |
| 2011 | 11,301 | 572,395,650 | 50,650 | 11.90% |
| 2012 | 11,309 | 589,255,445 | 52,105 | 11.80% |
| 2013 | 11,222 | 594,294,676 | 52,958 | 7.70% |
| 2014 | 11,154 | 590,693,532 *** | 52,958 * | 7.90% |
| 2015 | 11,154 ** | 590,693,532 *** | 52,958 * | N/A |

Sussex Borough

| <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 | \$ 2,147 | \$ 99,238,634 | \$ 46,222 | 4.80% |
| 2007 | 2,155 | 105,407,515 | 48,913 | 4.60% |
| 2008 | 2,141 | 106,499,763 | 49,743 | 5.90% |
| 2009 | 2,139 | 103,773,585 | 48,515 | 9.80% |
| 2010 | 2,130 | 104,220,900 | 48,930 | 10.50% |
| 2011 | 2,119 | 107,327,350 | 50,650 | 10.20% |
| 2012 | 2,108 | 109,837,340 | 52,105 | 10.10% |
| 2013 | 2,093 | 110,841,094 | 52,958 | 8.80% |
| 2014 | 2,078 ** | 110,046,724 *** | 52,958 * | 6.70% |
| 2015 | 2,078 ** | 110,046,724 *** | 52,958 * | N/A |

* - Latest Sussex County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) was used for calculation purposes.

*** - Latest Sussex County personal income available (2013) and latest population data available (2014) was used for calculation purposes.

N/A - Information Not Available

Source:

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

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

^c Per capita personal income for Sussex County is estimated based upon the 2000 Census published

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

Exhibit J-15

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

| Employer | 2014 | |
|-----------------------------------|-----------|--------------------------------|
| | Employees | Percentage of Total Employment |
| Crystal Springs Golf & Spa Resort | 2,000 | 2.66% |
| Newton Memorial Hospital | 1,200 | 1.59% |
| Selective Insurance | 900 | 1.20% |
| County of Sussex | 830 | 1.10% |
| Mountain Creek Resort | 800 | 1.06% |
| Ames Rubber Corp. | 445 | 0.59% |
| Shop Rite Supermarkets (Ronetco) | 301 | 0.40% |
| Andover Subacute & Rehab Center | 300 | 0.40% |
| Sussex County Community College | 300 | 0.40% |
| SCARC, Inc. | 287 | 0.38% |
| | 7,363 | 9.78% |

| Employer | 2005 | |
|------------------------------------|-----------|--------------------------------|
| | Employees | Percentage of Total Employment |
| Selective Insurance | 954 | 2.44% |
| Andover Subacute & Rehab Center | 900 | 2.30% |
| County of Sussex | 800 | 2.04% |
| Newton Memorial Hospital | 800 | 2.04% |
| Ronetco Supermarkets | 757 | 1.93% |
| Vernon Township Board of Education | 629 | 1.61% |
| F.O. Phoenix, Inc. | 600 | 1.53% |
| Mountain Creek Resort | 450 | 1.15% |
| Hopatcong Board of Education | 380 | 0.97% |
| Wal-Mart | 300 | 0.77% |
| | 6,570 | 16.78% |

Source: Sussex County Chamber of Commerce

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN 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 | 93.8 | 95.6 | 99.5 | 96.7 | 100.0 | 77.0 | 77.7 | 76.0 | 73.4 | 75.1 |
| Special Education | 41.5 | 36.5 | 40.0 | 38.4 | 36.8 | 37.8 | 39.5 | 37.5 | 35.5 | 35.5 |
| Other Instruction | 56.0 | 48.8 | 56.0 | 45.9 | 45.0 | 44.5 | 46.9 | 46.5 | 45.3 | 40.3 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 30.5 | 24.4 | 30.5 | 29.6 | 29.6 | 30.1 | 29.9 | 29.0 | 28.6 | 27.4 |
| General and Business Administrative Services | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 6.5 | 7.0 | 7.0 | 7.0 | 7.0 |
| School Administrative Services | 4.0 | 6.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.8 | 4.0 | 4.0 | 4.0 |
| Other Administrative Services | 6.0 | 2.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Administrative Information Technology | 1.0 | 1.0 | 1.0 | 1.5 | 1.5 | 1.5 | 2.0 | 2.0 | 2.0 | 3.5 |
| Transportation | 14.5 | | 14.5 | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 | 15.5 |
| Plant Operations and Maintenance | 26.8 | 32.4 | 27.0 | 26.0 | 22.8 | 18.8 | 18.8 | 18.8 | 18.8 | 17.3 |
| Total | <u>281.1</u> | <u>253.7</u> | <u>285.5</u> | <u>270.9</u> | <u>268.5</u> | <u>242.0</u> | <u>247.4</u> | <u>242.6</u> | <u>236.4</u> | <u>231.6</u> |

Source: School District Personnel Records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year End June 30, | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^b | Percentage Change | Teaching Staff ^c | Pupil/Teacher Ratio ^e | | Average Daily Enrollment (ADE) ^d | Average Daily Attendance (ADA) ^d | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-----------------------------------|------------|----------------------------------------|--------------------------------|----------------------|--------------------------------|----------------------------------|------------------|------------------------------------------------------|---------------------------------------------------|--------------------------------------------|-------------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2006 | 1,710 | \$ 22,377,099 | \$ 13,086 | 2.29% | 151 | 12.2:1 | 10.4:1 | 1,683 | 1,595 | -1.81% | 94.77% |
| 2007 | 1,661 | 23,152,230 | 13,939 | 6.52% | 153 | 11.2:1 | 10.1:1 | 1,636 | 1,549 | -2.79% | 94.68% |
| 2008 | 1,632 | 24,210,319 | 14,835 | 6.43% | 156 | 10.8:1 | 9.9:1 | 1,601 | 1,513 | -2.14% | 94.50% |
| 2009 | 1,550 | 24,312,573 | 15,686 | 5.74% | 157 | 10.8:1 | 8.8:1 | 1,513 | 1,440 | -5.50% | 95.18% |
| 2010 | 1,552 | 25,395,475 | 16,363 | 4.32% | 155 | 10.1:1 | 9.7:1 | 1,531 | 1,449 | 1.19% | 94.64% |
| 2011 | 1,511 | 23,937,168 | 15,842 | -3.18% | 129 | 11.8:1 | 10.7:1 | 1,473 | 1,398 | -3.79% | 94.91% |
| 2012 | 1,433 | 24,168,821 | 16,866 | 6.46% | 137 | 11.1:1 | 11.0:1 | 1,382 | 1,315 | -6.18% | 95.15% |
| 2013 | 1,360 | 24,266,885 | 17,843 | 5.80% | 133 | 10:1:1 | 11.7:1 | 1,315 | 1,248 | -4.85% | 94.90% |
| 2014 | 1,277 | 24,339,831 | 19,060 | 6.82% | 135 | 9:2:1 | 9.8:1 | 1,227 | 1,169 | -6.69% | 95.27% |
| 2015 | 1,225 | 24,575,481 | 20,062 | 5.25% | 137 | 10:4:1 | 10:4:1 | 1,155 | 1,106 | -5.87% | 95.76% |

Note:

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Cost per pupil represents operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- e Pupil / Teacher Ratio beginning in 2015 obtained from Taxpayer's Guide to Education Spending (TGES)

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Clifton E. Lawrence Elementary School | | | | | | | | | | |
| Square Feet | 48,220 | 48,200 | 48,200 | 48,200 | 48,200 | 48,200 | 48,200 | 48,200 | 48,200 | 48,200 |
| Capacity (students) | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Enrollment | 563 | 563 | 552 | 506 | 465 | 454 | 399 | 395 | 366 | 403 |
| Wantage Elementary School | | | | | | | | | | |
| Square Feet | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 | 48,583 |
| Capacity (students) | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 |
| Enrollment | 518 | 518 | 543 | 540 | 569 | 521 | 485 | 413 | 408 | 358 |
| <u>Middle School</u> | | | | | | | | | | |
| Sussex Middle School | | | | | | | | | | |
| Square Feet | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 | 65,489 |
| Capacity (students) | 612 | 612 | 612 | 612 | 612 | 612 | 612 | 612 | 612 | 612 |
| Enrollment | 629 | 629 | 537 | 502 | 518 | 536 | 540 | 552 | 503 | 464 |
| <u>Other</u> | | | | | | | | | | |
| Environmental Trails Center | | | | | | | | | | |
| Square Feet | N/A |
| Capacity (students) | N/A |
| Enrollment | N/A |
| Number of Schools | | | | | | | | | | |
| Elementary = | 2 | | | | | | | | | |
| Middle School = | 1 | | | | | | | | | |

N/A - Not Applicable

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

| <u>Fiscal Year</u> <u>Ended June 30,</u> | <u>Lawrence</u> | <u>Sussex</u> | <u>Wantage</u> | <u>Environmental</u> <u>Trail Center</u> | <u>Board</u> <u>Office</u> | <u>Total</u> |
|---------------------------------------------|-----------------|---------------|----------------|---------------------------------------------|-------------------------------|--------------|
| 2006 | \$ 174,198 | \$ 197,491 | \$ 156,102 | \$ 1,191 | | \$ 528,982 |
| 2007 | 150,651 | 146,346 | 132,234 | 1,200 | | 430,431 |
| 2008 | 140,216 | 152,638 | 260,155 | 3,699 | \$ 31,565 | 588,273 |
| 2009 | 100,680 | 156,621 | 212,642 | | 58,648 | 528,591 |
| 2010 | 89,330 | 265,534 | 174,345 | 11,907 | 9,577 | 550,693 |
| 2011 | 157,826 | 155,244 | 123,334 | 2,209 | 7,838 | 446,451 |
| 2012 | 139,784 | 170,175 | 117,172 | 804 | 6,402 | 434,337 |
| 2013 | 146,980 | 173,641 | 127,965 | 766 | 7,443 | 456,795 |
| 2014 | 137,091 | 154,466 | 122,818 | 968 | 5,813 | 421,156 |
| 2015 | 169,275 | 185,583 | 136,700 | 5,889 | 7,196 | 504,643 |

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

Source: School District records.

Exhibit J-20

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2015
UNAUDITED

| | <u>Coverage</u> | <u>Deductible</u> |
|-----------------------------------------------------|-------------------------------------|-------------------|
| <u>SCHOOL ALLIANCE INSURANCE FUND:</u> | | |
| School Package Policy: | | |
| Building and Personal Property | \$ 250,000,000 Fund Aggregate | \$ 2,500 |
| Inland Marine - Auto Physical Damage | | |
| General Liability including Auto, Employee Benefits | 5,000,000 | |
| Each Occurance | | |
| General Aggregate | 100,000,000 Fund Aggregate | |
| Product Completed Operations | | |
| Personal Injury | | |
| Fire Damage | 2,500,000 | |
| Medical Expenses | 10,000 | |
| (Excluding Students Taking Part in Athletics) | | |
| Automobile Coverage | | |
| Combined Single Limit | | |
| Hired/Non Owned | | |
| Environmental Impairment Liability | 1,000,000/25,000,000 Fund Aggregate | 5,000 |
| Crime Coverage | 50,000 Inside/Outside | 1,000 |
| Blanket Dishonesty Bond | 500,000 | 1,000 |
| Boiler and Machinery | 100,000,000 | 1,000 |
| Excess Liability (AL/GL) | 5,000,000 | |
| School Board Legal | 5,000,000/5,000,000 | 5,000 |
| Workers' Compensation | Statutory | |
| Employer's Liability | 5,000,000 | |
| Supplemental Indemnity | Statutory | |
| <u>SELECTIVE INSURANCE:</u> | | |
| Treasurer of School Monies Bond Limit | 250,000 | |
| Business Administrator/Board Secretary | | |
| Bond Limit | 50,000 | |
| <u>BOLLINGER</u> | | |
| Student Accident Coverage | 1,000,000 | |

Source: School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
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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

The Honorable President and Members
 of the Board of Education
 Sussex-Wantage Regional School District
 County of Sussex, 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, in the County of Sussex (the "Board") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 20, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board'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 the 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.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Compliance and Other Matters

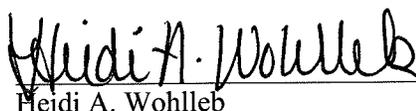
As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

November 20, 2015
Mount Arlington, New Jersey

NISIVOC CIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Sussex-Wantage Regional School District
 County of Sussex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Sussex-Wantage Regional School District's (the "District's"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditors' 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 District'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's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District 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 fiscal year ended June 30, 2015.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Report on Internal Control Over Compliance

Management of the District 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 District'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 NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

November 20, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass Through Grantor/ Program/Cluster Title | Federal CFDA Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | Cash Received | Budgetary Expendi- tures | Repayment of Prior Years' Balances | Balance, June 30, 2015 | |
|----------------------------------------------------------------|---------------------------|----------------------------------|-----------------|-----------------|-------------------------------------|----------------------------------|-------------------|------------------|--------------------------------|---------------------------------------------|----------------------------------|-------------------------------------|
| | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | | | | Budgetary Unearned Revenue | Budgetary Accounts Receivable |
| <u>U.S. Department of Agriculture:</u> | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | |
| <u>Enterprise Fund</u> | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | |
| Food Distribution Program | 10.555 | N/A | 7/1/14-6/30/15 | \$ 25,377 | | | \$ 25,377 | \$ (23,466) | | \$ 1,911 | | |
| Food Distribution Program | 10.555 | N/A | 7/1/13-6/30/14 | 27,423 | | \$ 1,135 | | (1,135) | | | | |
| National School Lunch Program | 10.555 | N/A | 7/1/14-6/30/15 | 132,813 | | | 119,494 | (132,813) | | | \$ (13,319) | |
| National School Lunch Program | 10.555 | N/A | 7/1/13-6/30/14 | 129,678 | \$ (12,599) | | 12,599 | | | | | |
| School Breakfast Program | 10.553 | N/A | 7/1/14-6/30/15 | 21,364 | | | 19,032 | (21,364) | | | (2,332) | |
| School Breakfast Program | 10.553 | N/A | 7/1/13-6/30/14 | 24,503 | (2,559) | | 2,559 | | | | | |
| Total Child Nutrition Cluster | | | | | (15,158) | 1,135 | 179,061 | (178,778) | | 1,911 | (15,651) | |
| Total Enterprise Fund | | | | | (15,158) | 1,135 | 179,061 | (178,778) | | 1,911 | (15,651) | |
| <u>Special Revenue Fund</u> | | | | | | | | | | | | |
| No Child Left Behind: | | | | | | | | | | | | |
| Title I | 84.010A | NCLB510015 | 7/1/14-6/30/15 | 171,120 | | | 137,211 | (158,801) | | | (21,590) | |
| Title I | 84.010A | NCLB510014 | 7/1/13-6/30/14 | 202,752 | (51,542) | | 51,542 | | | | | |
| Title I | 84.010A | NCLB510013 | 9/1/12-8/31/13 | 265,705 | | 54,081 | | | | 54,081 | | |
| Total Title I | | | | | (51,542) | 54,081 | 188,753 | (158,801) | | 54,081 | (21,590) | |
| Title IIA | 84.367A | NCLB510015 | 7/1/14-6/30/15 | 75,363 | | | \$ 1,698 | (70,807) | | | (12,227) | |
| Title IIA | 84.367A | NCLB510014 | 7/1/13-6/30/14 | 48,747 | | 1,698 | (1,698) | | | | | |
| Title IIA | 84.367A | NCLB510013 | 9/1/12-8/31/13 | 62,206 | (1) | | 1 | | | | | |
| Title IIA | 84.367A | NCLB510012 | 9/1/11-8/31/12 | 66,449 | (156) | | 156 | | | | | |
| Total Title IIA | | | | | (157) | 1,698 | 157 | (70,807) | | | (12,227) | |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| Federal Grantor/Pass Through Grantor/ Program/Cluster Title | Federal CFDA Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | | Cash Received | Budgetary Expendi- tures | Repayment of Prior Years' Balances | Balance, June 30, 2015 | |
|----------------------------------------------------------------|---------------------------|----------------------------------|------------------|-----------------|-------------------------------------|----------------------------------|-------------------|-------------|------------------|--------------------------------|---------------------------------------------|----------------------------------|-------------------------------------|
| | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | Adjustments | | | | Budgetary Unearned Revenue | Budgetary Accounts Receivable |
| <u>U.S. Department of Education:</u> | | | | | | | | | | | | | |
| Passed-through State Department of Education: | | | | | | | | | | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027A | IDEA510015 | 7/1/14-6/30/15 | \$ 524,750 | | | | \$ 379,700 | \$ (428,196) | | | \$ (48,496) | |
| I.D.E.A. Part B, Basic | 84.027A | IDEA510014 | 7/1/13-6/30/14 | 438,686 | \$ (100,611) | | \$ 14 | 100,597 | | | | | |
| I.D.E.A. Part B, Basic | 84.027A | IDEA510013 | 9/1/12-8/31/13 | 569,292 | (23,986) | | | | | | | (23,986) | |
| I.D.E.A. Preschool | 84.173A | IDEA510015 | 7/1/14-6/30/15 | 29,185 | | | | 18,983 | (27,125) | | | (8,142) | |
| I.D.E.A. Preschool | 84.173A | IDEA510014 | 7/1/13-6/30/14 | 29,498 | (3,571) | | (2,165) | 5,736 | | | | | |
| I.D.E.A. Preschool | 84.173A | IDEA510013 | 9/1/12-8/31/13 | 30,329 | | \$ 10 | (10) | | | | | | |
| Total Special Education Cluster | | | | | (128,168) | 10 | (2,161) | 505,016 | (455,321) | | | (80,624) | |
| Total Special Revenue | | | | | (179,867) | 55,789 | (2,004) | 750,651 | (684,929) | | | \$ 54,081 (114,441) | |
| Total U.S. Department of Education | | | | | (179,867) | 55,789 | (2,004) | 750,651 | (684,929) | | | 54,081 (114,441) | |
| <u>U.S. Department of Health and Human Services -</u> | | | | | | | | | | | | | |
| <u>General Fund</u> | | | | | | | | | | | | | |
| Medicaid Reimbursement | 93.778 | N/A | 7/1/14-6/30/15 | 51,831 | | | | 51,831 | (51,831) | | | | |
| Medicaid Reimbursement-SEMI/ARRA | 93.778 | N/A | 10/1/08-12/31/10 | 5,125 | | | | 5,125 | (5,125) | | | | |
| Total General Fund | | | | | | | | 56,956 | (56,956) | | | | |
| Total Federal Awards | | | | | \$ (195,025) | \$ 56,924 | \$ -0- | \$ (2,004) | \$ 986,668 | \$ (920,663) | \$ -0- | \$ 55,992 \$ (130,092) | |

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | Budgetary Expenditures | Repayment of Prior Years' Balances | Balance at June 30, 2015 | | MEMO | |
|------------------------------------------------------------------|-------------------------------|----------------|--------------|-------------------------------|----------------|------------------|------------------------|------------------------------------|--------------------------|----------------|----------------------|-------------------------------|
| | | | | Budgetary Accounts Receivable | Due to Grantor | Cash Received | | | GAAP Accounts Receivable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| State Department of Education: | | | | | | | | | | | | |
| General Fund State Aid: | | | | | | | | | | | | |
| Special Education Categorical Aid | 14-495-034-5120-089 | 7/1/13-6/30/14 | \$ 773,754 | \$ (76,482) | | \$ 76,482 | | | | | | \$ 773,754 |
| School Choice Aid | 14-495-034-5120-068 | 7/1/13-6/30/14 | 26,145 | (2,584) | | 2,584 | | | | | | 26,145 |
| Equalization Aid | 14-495-034-5120-078 | 7/1/13-6/30/14 | 5,670,481 | (560,508) | | 560,508 | | | | | | 5,670,481 |
| Security Aid | 14-495-034-5120-084 | 7/1/13-6/30/14 | 152,070 | (15,032) | | 15,032 | | | | | | 152,070 |
| Adjustment Aid | 14-495-034-5120-085 | 7/1/13-6/30/14 | 337,885 | (33,399) | | 33,399 | | | | | | 337,885 |
| Transportation Aid | 14-495-034-5120-014 | 7/1/13-6/30/14 | 824,394 | (81,489) | | 81,489 | | | | | | 824,394 |
| Nonpublic Transportation Costs | 14-495-034-5120-014 | 7/1/13-6/30/14 | 14,876 | (14,876) | | 14,876 | | | | | | 14,876 |
| Extraordinary Special Education Costs Aid | 14-100-034-5120-473 | 7/1/13-6/30/14 | 32,585 | (32,585) | | 32,585 | | | | | | 32,585 |
| Reimbursed TPAF Social Security Contributions | 14-495-034-5095-002 | 7/1/13-6/30/14 | 744,133 | (41,378) | | 41,378 | | | | | | 744,133 |
| Special Education Categorical Aid | 15-495-034-5120-089 | 7/1/14-6/30/15 | 773,754 | | | 696,480 | \$ (773,754) | | | \$ (77,274) | | 773,754 |
| School Choice Aid | 15-495-034-5120-068 | 7/1/14-6/30/15 | 26,145 | | | 23,534 | (26,145) | | | (2,611) | | 26,145 |
| Equalization Aid | 15-495-034-5120-078 | 7/1/14-6/30/15 | 5,670,481 | | | 5,104,180 | (5,670,481) | | | (566,301) | | 5,670,481 |
| Security Aid | 15-495-034-5120-084 | 7/1/14-6/30/15 | 152,070 | | | 136,883 | (152,070) | | | (15,187) | | 152,070 |
| Adjustment Aid | 15-495-034-5120-085 | 7/1/14-6/30/15 | 337,885 | | | 304,141 | (337,885) | | | (33,744) | | 337,885 |
| Transportation Aid | 15-495-034-5120-014 | 7/1/14-6/30/15 | 824,394 | | | 742,063 | (824,394) | | | (82,331) | | 824,394 |
| PARCC Readiness Aid | 15-495-034-5120-098 | 7/1/14-6/30/15 | 12,260 | | | 11,036 | (12,260) | | | (1,224) | | 12,260 |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 7/1/14-6/30/15 | 12,260 | | | 11,036 | (12,260) | | | (1,224) | | 12,260 |
| Nonpublic Transportation Costs | 15-495-034-5120-014 | 7/1/14-6/30/15 | 14,942 | | | | (14,942) | | \$ (14,942) | (14,942) | | 14,942 |
| Extraordinary Special Education Costs Aid | 15-100-034-5120-473 | 7/1/14-6/30/15 | 82,335 | | | | (82,335) | | (82,335) | (82,335) | | 82,335 |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 7/1/14-6/30/15 | 712,929 | | | 675,191 | (712,929) | | (37,738) | (37,738) | | 712,929 |
| Subtotal - General Fund | | | | (858,333) | | 8,562,877 | (8,619,455) | | (135,015) | | (914,911) | 17,195,778 |
| Special Revenue Fund Aid: | | | | | | | | | | | | |
| Nonpublic Auxiliary Services: | | | | | | | | | | | | |
| Compensatory Education | 14-100-034-5120-067 | 7/1/13-6/30/14 | 26,707 | | \$ 3,681 | | | \$ (3,681) | | | | 23,026 |
| Nonpublic Handicapped Services: | | | | | | | | | | | | |
| Supplementary Instruction | 14-100-034-5120-066 | 7/1/13-6/30/14 | 10,685 | | 902 | | | (902) | | | | 9,783 |
| Corrective Speech | 14-100-034-5120-066 | 7/1/13-6/30/14 | 7,812 | | 2,187 | | | (2,187) | | | | 6,360 |
| N.J. Nonpublic Textbook Aid | 14-100-034-5120-064 | 7/1/13-6/30/14 | 6,363 | | 789 | | | (789) | | | | 5,574 |
| Nonpublic Auxiliary Services: | | | | | | | | | | | | |
| Compensatory Education | 15-100-034-5120-067 | 7/1/14-6/30/15 | 25,709 | | | 25,709 | (23,291) | | | \$ 2,418 | | 23,291 |
| Nonpublic Handicapped Services: | | | | | | | | | | | | |
| Supplementary Instruction | 15-100-034-5120-066 | 7/1/14-6/30/15 | 13,026 | | | 13,026 | (12,320) | | | 706 | | 12,320 |
| Corrective Speech | 15-100-034-5120-066 | 7/1/14-6/30/15 | 9,719 | | | 9,719 | (7,510) | | | 2,209 | | 7,510 |
| Examination and Classification | 15-100-034-5120-066 | 7/1/14-6/30/15 | 18,729 | | | 18,729 | (15,133) | | | 3,596 | | 15,133 |
| N.J. Nonpublic Textbook Aid | 15-100-034-5120-064 | 7/1/14-6/30/15 | 6,733 | | | 6,733 | (6,341) | | | 392 | | 6,341 |
| N.J. Nonpublic Nursing Aid | 15-100-034-5120-070 | 7/1/14-6/30/15 | 13,469 | | | 13,469 | (13,469) | | | | | 13,469 |
| N.J. Nonpublic Technology Initiative | 15-100-034-5120-373 | 7/1/14-6/30/15 | 3,616 | | | 3,616 | (3,021) | | | 595 | | 3,616 |
| Subtotal - Special Revenue Fund - Department of Education | | | | | 7,559 | 91,001 | (81,085) | | (7,559) | | 9,916 | 126,423 |

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | Budgetary Expenditures | Repayment of Prior Years' Balances | Balance at June 30, 2015 | | MEMO | |
|---------------------------------------------------------------|-------------------------------|-----------------|--------------|-------------------------------|----------------|---------------|------------------------|------------------------------------|--------------------------|----------------|----------------------|-------------------------------|
| | | | | Budgetary Accounts Receivable | Due to Grantor | Cash Received | | | GAAP Accounts Receivable | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| <u>State Department of Education:</u> | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| State School Lunch Program | 15-100-010-3350-023 | 7/1/14-6/30/15 | \$ 3,929 | | | \$ 3,532 | \$ (3,929) | | \$ (397) | | \$ (397) | \$ 3,929 |
| State School Lunch Program | 14-100-010-3350-023 | 7/1/13-6/30/14 | 4,334 | \$ (623) | | 623 | | | | | | 4,334 |
| Subtotal - Enterprise Fund | | | | (623) | | 4,155 | (3,929) | | (397) | | (397) | 8,263 |
| Total State Department of Education | | | | (858,956) | \$ 7,559 | 8,658,033 | (8,704,469) | \$ (7,559) | (135,412) | \$ 9,916 | (915,308) | 17,330,464 |
| <u>State Department of the Treasury:</u> | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | |
| (Passed thru the County of Sussex to the Township of Wantage) | | | | | | | | | | | | |
| Governor's Council on Alcohol and Drug Abuse | 100-082-2000-044-995120 | 1/1/15-12/31/15 | 800 | | | 800 | (800) | | | | | 800 |
| Municipal Alliance | | | | | | 800 | (800) | | | | | 800 |
| Total State Department of the Treasury | | | | | | 800 | (800) | | | | | 800 |
| Total State Awards | | | | \$ (858,956) | \$ 7,559 | \$ 8,658,833 | \$ (8,705,269) | \$ (7,559) | \$ (135,412) | \$ 9,916 | \$ (915,308) | \$ 17,331,264 |

N/A - Not Applicable/Available

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Sussex-Wantage Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported 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. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,402) for the general fund and (\$5,571) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension and Post Retirement Contributions revenue of \$535,357 and \$849,880, respectively.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------|-------------------|---------------------|---------------------|
| General Fund | \$ 56,956 | \$ 9,994,290 | \$10,051,246 |
| Special Revenue Fund | 681,029 | 80,214 | 761,243 |
| Food Service Fund | 178,778 | 3,929 | 182,707 |
| Total Awards | <u>\$ 916,763</u> | <u>\$10,078,433</u> | <u>\$10,995,196</u> |

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for its major federal and state award programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with Section 510(a) of Federal OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, or New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

| | <u>C.F.D.A. Number/ State Grant Number</u> | <u>Grant Period</u> | <u>Award Amount</u> | <u>Budgetary Expenditures</u> |
|-----------------------------------------------|------------------------------------------------|---------------------|-------------------------|-----------------------------------|
| <u>Federal:</u> | | | | |
| Special Education Cluster: | | | | |
| I.D.E.A. Part B, Basic | 84.027A | 7/1/14-6/30/15 | \$ 524,750 | \$ 428,196 |
| I.D.E.A. Preschool | 84.173A | 7/1/14-6/30/15 | 29,185 | 27,125 |
| <u>State:</u> | | | | |
| Special Education Categorical Aid | 15-495-034-5120-089 | 7/1/14-6/30/15 | 773,754 | 773,754 |
| School Choice Aid | 15-495-034-5120-068 | 7/1/14-6/30/15 | 26,145 | 26,145 |
| Equalization Aid | 15-495-034-5120-078 | 7/1/14-6/30/15 | 5,670,481 | 5,670,481 |
| Security Aid | 15-495-034-5120-084 | 7/1/14-6/30/15 | 152,070 | 152,070 |
| Adjustment Aid | 15-495-034-5120-085 | 7/1/14-6/30/15 | 337,885 | 337,885 |
| PARCC Readiness Aid | 15-495-034-5120-098 | 7/1/14-6/30/15 | 12,260 | 12,260 |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 7/1/14-6/30/15 | 12,260 | 12,260 |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 7/1/14-6/30/15 | 712,929 | 712,929 |

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$300,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circulars 04-04 and 15-08.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.