

**BOARD OF EDUCATION  
READINGTON TOWNSHIP  
COUNTY OF HUNTERDON  
SYNOPSIS OF AUDIT  
JULY 1, 2013 TO JUNE 30, 2014**

READINGTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 2,904,413	\$ 137,226	\$ 3,041,639
Internal Balances	(8,900)	8,900	
Receivables, Net	563,873	5,794	569,667
Inventory		6,242	6,242
Restricted Assets:			
Cash & Cash Equivalents	4,692,347		4,692,347
Capital Assets (Note 4):			
Land and Construction in Progress	729,356		729,356
Other Capital Assets, Net of Depreciation	40,828,633	39,990	40,868,623
Total Assets	<u>49,709,722</u>	<u>198,152</u>	<u>49,907,874</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding Bond Issue	<u>24,744</u>	-	<u>24,744</u>
<b>LIABILITIES</b>			
Accounts Payable	572,996	1,191	574,187
Accrued Interest	377,279		377,279
Payables to Governments	7,696		7,696
Unearned Revenue	31,481	39,824	71,305
Long-Term Liabilities:			
Due Within One Year	1,422,883		1,422,883
Due Beyond One Year	21,668,965		21,668,965
Total Liabilities	<u>24,081,300</u>	<u>41,015</u>	<u>24,122,315</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	19,567,989	39,990	19,607,979
Restricted for:			
Capital Projects	1,920,494		1,920,494
Debt Service	75,779		75,779
Legal Reserves	2,944,369		2,944,369
Unrestricted	<u>1,144,535</u>	<u>117,147</u>	<u>1,261,682</u>
<b>TOTAL NET POSITION</b>	<u>\$ 25,653,166</u>	<u>\$ 157,137</u>	<u>\$ 25,810,303</u>

READINGTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 8,883,693	\$ 3,756,027	\$ 54,359	\$ 980	\$ 15,147	\$ (12,569,234)		\$ (12,569,234)
Special Education	3,100,626	1,391,808	99,573	36,153	5,290	(4,351,418)		(4,351,418)
Other Special Education	812,306	365,812		45,213	1,388	(1,131,517)		(1,131,517)
Other Instruction	277,479	107,401			470	(384,410)		(384,410)
Support Services:								
Tuition	708,273			360,826		(347,447)		(347,447)
Students & Instruction Related Services	3,631,486	1,497,704		63,996	6,202	(5,058,992)		(5,058,992)
General & Business Administration Services	1,310,473	337,172	116,750		2,035	(1,528,860)		(1,528,860)
School Administration Services	1,169,456	520,685			1,998	(1,688,143)		(1,688,143)
Plant Operations & Maintenance	2,351,712	204,530	76,285			(2,479,957)		(2,479,957)
Pupil Transportation	2,046,174	8,811	4,285			(2,050,700)		(2,050,700)
Interest on Long-Term Debt	809,984					(809,984)		(809,984)
<b>Total Governmental Activities</b>	<b>25,101,662</b>	<b>8,189,950</b>	<b>351,252</b>	<b>507,168</b>	<b>32,530</b>	<b>(32,400,662)</b>	<b>\$ -</b>	<b>(32,400,662)</b>
<b>Business-Type Activities:</b>								
Food Service	583,311		397,259	98,764			(87,288)	(87,288)
Summer Programs	23,962		21,225				(2,737)	(2,737)
<b>Total Business-Type Activities</b>	<b>607,273</b>	<b>-</b>	<b>418,484</b>	<b>98,764</b>	<b>-</b>	<b>-</b>	<b>(90,025)</b>	<b>(90,025)</b>
<b>Total Primary Government</b>	<b>\$ 25,708,935</b>	<b>\$ 8,189,950</b>	<b>\$ 769,736</b>	<b>\$ 605,932</b>	<b>\$ 32,530</b>	<b>(32,400,662)</b>	<b>(90,025)</b>	<b>(32,490,687)</b>

General Revenues and Special Items		
Property Taxes Levied for General Purposes	26,582,012	26,582,012
Property Taxes Levied for Debt Service	2,182,408	2,182,408
Federal & State Aid Not Restricted	4,157,942	4,157,942
Investment Earnings	31,822	707
Miscellaneous Income	136,924	6
Special Item-Gain on Disposition of Assets	6,565	6,565
<b>Total General Revenues and Special Items</b>	<b>33,097,673</b>	<b>713</b>
Change in Net Position	697,011	(89,312)
Net Position-Beginning	24,956,155	246,449
<b>Net Position-Ending</b>	<b>\$ 25,653,166</b>	<b>\$ 157,137</b>

READINGTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 2,828,634			\$ 75,779	\$ 2,904,413
Due from Other Funds	78,006				78,006
Receivables from Other Governments:					
State	251,531		\$ 172,516		424,047
Federal		\$ 109,353			109,353
Local	23,150				23,150
Other Receivables	7,323				7,323
Restricted Cash & Equivalents	2,944,369		1,747,978		4,692,347
<b>TOTAL ASSETS</b>	<u>\$ 6,133,013</u>	<u>\$ 109,353</u>	<u>\$ 1,920,494</u>	<u>\$ 75,779</u>	<u>\$ 8,238,639</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 572,612	\$ 384			\$ 572,996
Due to Other Funds	8,900	78,006			86,906
Payables to Other Governments:					
State		7,696			7,696
Unearned Revenue	8,214	23,267			31,481
<b>Total Liabilities</b>	<u>589,726</u>	<u>109,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>699,079</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus	702,390				702,390
Excess Surplus-Designated for Subsequent Year's Expenditures	757,442				757,442
Capital Projects			1,920,494		1,920,494

READINGTON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014  
(Continued)

LIABILITIES AND FUND BALANCES (Cont'd)	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Committed to:					
Capital Reserve Account	\$ 2,359,743				\$ 2,359,743
Maintenance Reserve Account	378,299				378,299
Emergency Reserve Account	206,327				206,327
Assigned to:					
Year-End Encumbrances	499,975				499,975
Designated for Subsequent Year's Expenditures	56,696			\$ 21	56,717
Debt Service Fund-Undesignated				75,758	75,758
Unassigned Fund Balance	582,415				582,415
Total Fund Balances	5,543,287	\$ -	\$ 1,920,494	75,779	7,539,560
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,133,013	\$ 109,353	\$ 1,920,494	\$ 75,779	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:					
Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is				\$ 60,264,834 <u>18,706,845</u>	41,557,989
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds					(23,091,848)
For refunding bond issues, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter			Refunding Amount Accum. Amortiz. <u>26,806</u> <u>2,062</u>		24,744
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds & New Jersey EDA loans is					(377,279)
Net Position of Governmental Activities					\$ 25,653,166

READINGTON TOWNSHIP SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 26,582,012			\$ 2,182,408	\$ 28,764,420
Tuition Charges	153,932				153,932
Transportation Fees	2,740				2,740
Interest Earned on Legal Reserve Funds	13,725				13,725
Interest on Investments	18,097				18,097
Local Contributions		\$ 596			596
Miscellaneous	118,250			9,544	127,794
<b>Total</b>	<b>26,888,756</b>	<b>596</b>	<b>\$ -</b>	<b>2,191,952</b>	<b>29,081,304</b>
State Sources	4,150,184		32,530	7,758	4,190,472
Federal Sources		506,572			506,572
<b>Total Revenues</b>	<b>31,038,940</b>	<b>507,168</b>	<b>32,530</b>	<b>2,199,710</b>	<b>33,778,348</b>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular Instruction	8,865,777	980			8,866,757
Special Education Instruction	3,060,710	36,153			3,096,863
Other Special Instruction	771,403	40,903			812,306
Other Instruction	275,295				275,295
Support Service & Undistributed Costs:					
Tuition	347,447	360,826			708,273
Student & Instruction Related Services	3,566,545	63,996			3,630,541
General & Business Administrative Services	1,092,805		98,705		1,191,510
School Administrative Services	1,169,356				1,169,356
Plant Operations & Maintenance	2,300,029				2,300,029
Pupil Transportation	1,867,199				1,867,199
Unallocated Benefits	7,000,386	4,310			7,004,696

READINGTON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 661,251		\$ 77,701		\$ 738,952
Debt Service:					
Principal				\$ 1,331,887	1,331,887
Interest & Other Charges	67,811			805,308	873,119
Total Expenditures	<u>31,046,014</u>	<u>\$ 507,168</u>	<u>176,406</u>	<u>2,137,195</u>	<u>33,866,783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,074)</u>	<u>-</u>	<u>(143,876)</u>	<u>62,515</u>	<u>(88,435)</u>
Other Financing Sources (Uses):					
Proceeds from Disposition of Capital Assets	6,565				6,565
Transfers In			1,098,000		1,098,000
Transfers Out	(1,098,000)				(1,098,000)
Proceeds from Refunding Bond Issue			7,905,000		7,905,000
Payment to Refunding Bond Escrow Agent			(8,085,319)		(8,085,319)
Premium on Bond Issue			279,024		279,024
Total Other Financing Sources (Uses)	<u>(1,091,435)</u>	<u>-</u>	<u>1,196,705</u>	<u>-</u>	<u>105,270</u>
Net Change in Fund Balances	(1,098,509)	-	1,052,829	62,515	16,835
Fund Balances, July 1	<u>6,641,796</u>	<u>-</u>	<u>867,665</u>	<u>13,264</u>	<u>7,522,725</u>
Fund Balances, June 30	<u>\$ 5,543,287</u>	<u>\$ -</u>	<u>\$ 1,920,494</u>	<u>\$ 75,779</u>	<u>\$ 7,539,560</u>

**RECOMMENDATIONS**

No recommendations have been developed as a result of the audit.

**STATUS OF PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS**

There were no prior year audit recommendations.