

READINGTON TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**READINGTON TOWNSHIP BOARD OF EDUCATION
READINGTON TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by
READINGTON TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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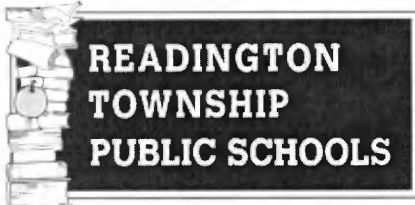
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INTRODUCTORY SECTION



www.readington.k12.nj.us

2.0

Barbara Sargent, Ed.D., *Superintendent*
Steffi-Jo DeCasas, *Business Administrator/Board Secretary*

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sdecasas@readington.k12.nj.us

P.O. Box 807 • 52 Readington Road • Whitehouse Station, NJ 08889 • (908)-534-2195 • (908) 534-9551 fax

November 19, 2015

Honorable President and
Members of the Board of Education
Readington Township Public Schools
P.O. Box 807
Whitehouse Station, New Jersey 08889

Dear Board Members:

The comprehensive annual financial report of the Readington Township Public 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 Board of Education. To the best of our knowledge and belief, the data presented in the auditor's report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements, management's discussion and analysis and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 1996 Single Audit Act and the U. S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Readington Township Public School District is an independent reporting entity within the criteria adopted by G.A.S.B. (Governmental Accounting Standards Board) established by Statement No. 14. All funds and account groups of the District are included in this report. The Readington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8. These include regular, as well as special education (pre-school through 8th grade) handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment in-district of 1,752 students, which is 1.5% students below the previous year's enrollment. The following chart details the

changes in the student enrollment of the District. These figures do not include those students sent out of district for special education placements.

Year	Enrollment in District	% Change
2002-2003	2,193	1.7%
2003-2004	2235	1.9%
2004-2005	2269	1.5%
2005-2006	2254	-0.7%
2006-2007	2241	0.6%
2007-2008	2191	-2.2%
2008-2009	2164	-1.2%
2009-2010	2105	-2.7%
2010-2011	2040	-3.1%
2011-2012	1963	-3.8%
2012-2013	1867	-4.9%
2013-2014	1778	-4.8%
2014-2015	1752	-1.5%

2. ECONOMIC CONDITION AND OUTLOOK:

The District has seen decreasing enrollments in prior years which may have been accelerated with the decline in the housing market and overall state of the economy. The district is still experiencing declining enrollments and a new demographic report scheduled for 2015-16 should provide further insight for future trends

The District's enrollment projections were developed by an independent demographer. All schools currently have sufficient capacity to house the District's students.

3. MAJOR INITIATIVES:

The attainment of proficiency in state standards continues to be a primary focus of the district. The student population of the district continues to perform at levels above the state average. For the last year of NJ ASK testing (2013-14), Readington Township's mean score matched or surpassed other "I" district mean scores on 83.3% of tests. This is the highest performance in the past four years and was an excellent way to close out our district's experience with NJ ASK.

The district's experience with PARCC was quite good. Technology functioned effectively and our participation rate for testing was 98%, well above the 95% rate required to be free from consequences from the NJ Department of Education. Our school community eagerly awaits testing results so that we may analyze student performance and establish new goals for this year.

The 2015-16 District Goals are based on core content standards and strategic plan initiatives. Through each school's common planning time, teachers will work together in reviewing student data and developing action plans. Throughout the year during faculty meetings and curriculum half-day sessions, the building goals are supported by the curriculum department, building-level teacher teams, and administrators. Each building focused training on improving writing instruction, instruction in reading comprehension, inquiry-based science instruction, and instruction in mathematics. District professional

development focused on the implementation of differentiated instruction across the content areas. This included the use of data to inform instruction, the integration of technology, and infusion of 21st century skills. Training took place throughout the entire school year at district-wide staff development sessions and at building faculty meetings.

Finally, the district reduced its transportation from a 3-tier to a 2-tier system, resulting in reduced fuel use and better aligned school arrival and dismissal times.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 cancelled or are included as a re-appropriation of fund balances in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END:

2.3

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

In October of 1996, the District passed a \$12,000,000 bond referendum for construction of a new intermediate school, Holland Brook School. The project was eligible for state funding through a grant from the SCC/SDA. Additionally, the referendum included Americans with Disabilities Act (A.D.A.) improvements. The total cost of the referendum was \$12,800,000, with the additional \$800,000 funded on the interest earnings received on the investment of the \$12,000,000. The bonds were partially refinanced in 2004. As of June 30, 2015, \$7,360,000.00 remained in principal to be paid, with the final payment to be made on January 1, 2027.

In 2002, the District passed a \$27,790,000 bond referendum for renovations and construction at Readington Middle School, Holland Brook School, Three Bridges School, and Whitehouse School. This project also qualified for state funding through an SCC/SDA grant. There was a partial refunding of the 2002 Bond Series in December of 2006 of \$10,000,000, with an additional partial refunding of \$5,415,000 in November, 2010. As of June 30, 2015, \$13,315,000.00 remained in principal to be paid, with the final payment to be made on June 30, 2027.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. 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.

The District utilizes Investors Bank as its main depository for district funds. The Business Administrator utilizes the investment vehicles available through Investors Bank. This program meets the G.U.D.P.A. requirements. Most of the district's funds are invested in interest bearing accounts, allowing the district to maximize interest and maintain the liquidity needed to meet its obligations.

10. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability and comprehensive collision, hazard and theft insurance on property and contents and fidelity bonds.

11. OTHER INFORMATION:

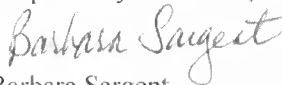
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr. was selected by the Board of Education.

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 of 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statements combining individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

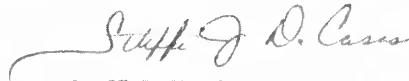
12. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

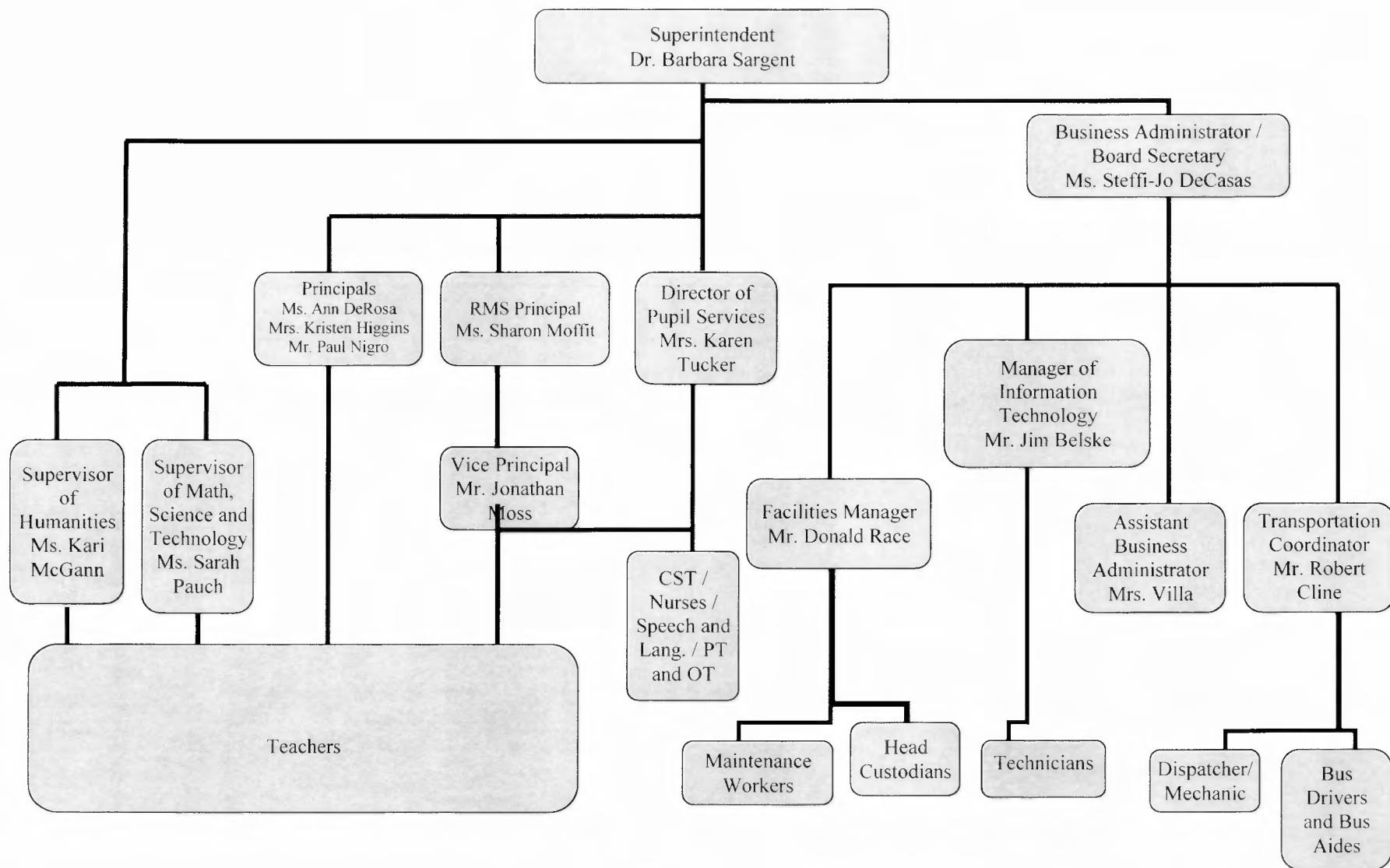


Barbara Sargent
Superintendent of Schools



Steffi-Jo De Casas
School Business Administrator/Board Secretary

Readington Township Public Schools
Organizational Chart 2014-2015



READINGTON TOWNSHIP BOARD OF EDUCATION
READINGTON TOWNSHIP, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION

		TERM EXPIRES
Cheryl Filler	President	2017
Laura Simon	Vice President	2017
Christopher Allen		2018
Wayne Doran		2018
Vincent Panico		2016
William Goodwin		2017
Ray Egbert		2018
Anna Shinn		2016
Eric Zwerling		2016

OTHER OFFICIALS

Dr. Barbara Sargent	Superintendent of Schools
Steff-Jo DeCasas	Board Secretary/Business Administrator

READINGTON TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

AUDIT FIRM

William M. Colantano, Jr., CPA
100 Route 31 North
Washington, NJ 07882-1530

SOLICITOR

Fogarty & Hara
16-00 Route 208 South
Fair Lawn, New Jersey 07410

OFFICIAL DEPOSITORY

Investors Bank
3563 US Highway 22 North
Whitehouse Station, NJ 08899

ARCHITECT

SSP Architectural Group
148 West End Avenue
Somerville, NJ 08876

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 19, 2015

Honorable President and
Members of the Board of Education
Readington Township School District
County of Hunterdon, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

William M. Colantano, Jr.

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

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

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



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

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**READINGTON TOWNSHIP PUBLIC SCHOOLS
READINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

11.0

The Readington Township Public School (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2015, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District's Financial Statements.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position increased \$1,357,687 which represents a 7.70 percent increase from fiscal year 2014.
- General revenues accounted for \$37,466,900, in revenue or 95.13 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,916,983 or 4.87 percent to total revenues of \$39,383,883.
- Total assets of governmental activities decreased by \$19,877 as cash and cash equivalents decreased by \$914,791, receivables increased by \$629,485 and capital assets increased by \$265,429. The small decrease in total assets can be attributed in large part to the depreciation of capital assets of the district.
- The School District had \$38,026,196 in expenses; only \$1,916,983 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$37,466,900 were adequate to provide for these programs.
- Among major funds, the General Fund had \$31,601,601 in revenues and \$31,030,206 in expenditures. After accounting for other financing uses of \$-0-, the General Fund's balance increased \$471,395 from 2014. This increase was anticipated by the District and was the result of effective cost-cutting measures implemented by the district.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending.

**READINGTON TOWNSHIP PUBLIC SCHOOLS
READINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

11.1

The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Readington Township Public School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 17. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statement focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are

**READINGTON TOWNSHIP PUBLIC SCHOOLS
READINGTON TOWNSHIP
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

11.2

more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Table 1 provides a summary of the district's net position at 6/30/2015 with comparison to 6/30/2014.

Table 1 Net Position				
	6/30/15	6/30/14	Variance	
			Dollars	%
ASSETS				
Current & Other Assets	\$ 8,024,249	\$ 8,309,895	\$ (285,646)	(3.55)
Capital Assets	41,858,397	41,597,979	260,418	0.63
Total Assets	49,882,646	49,907,874	(25,228)	(0.05)
Deferred Pension Expenses	850,144	335,444	514,700	153.44
Deferred Amount on Refunding	22,682	24,744	(2,062)	(8.33)
Total Deferred Outflow of Resources	872,826	360,188	512,638	142.33
LIABILITIES				
Long-Term Liabilities	30,246,629	31,600,375	(1,353,746)	(4.28)
Other Liabilities	1,003,155	1,030,467	(27,312)	(2.65)
Total Liabilities	31,249,784	32,630,842	(1,381,058)	(4.23)
Deferred Pension Adjustments	510,781	-	510,781	*
Total Deferred Inflow of Resources	510,781	-	510,781	*
NET POSITION				
Net Investment in Capital Assets	21,183,397	19,607,979	1,575,418	8.03
Restricted	4,899,507	4,940,642	(41,135)	(0.83)
Unrestricted	(7,087,997)	(6,911,401)	(176,596)	2.56
Total Net Position	\$18,994,907	\$17,637,220	\$1,357,687	7.70

* = Undefined

Total assets decreased by \$25,228. Cash and cash equivalents decreased by \$935,564, receivables increased by \$650,722, capital assets increased by \$260,418, and other assets decreased by \$804. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District decreased by \$176,596. This increase was anticipated by the Board of Education and was the result of the utilization of funds in the legal reserves to finance the local share of capital projects.

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

**READINGTON TOWNSHIP PUBLIC SCHOOLS
READINGTON TOWNSHIP
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11.3

Reporting for Pensions, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year ending 6/30/2015 with comparisons to 6/30/2014.

**Table 2
Changes in Net Position**

	6/30/15	6/30/14	Variance	
			Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 761,671	\$ 769,736	\$ (8,065)	(1.05)
Operating Grants	678,061	605,932	72,129	11.90
Capital Grants	477,251	32,530	444,721	1367.11
General Revenues:				
Property Taxes	28,680,635	28,764,420	(83,785)	(0.29)
Unrestricted Grants	8,644,779	4,157,942	4,486,837	107.91
Other	141,486	169,459	(27,973)	(16.51)
Total Revenues	<u>39,383,883</u>	<u>34,500,019</u>	<u>4,883,864</u>	14.16
Program Expenses				
Instruction:				
Regular	14,792,796	12,639,720	2,153,076	17.03
Special	5,374,421	4,492,434	881,987	19.63
Other	1,735,837	1,562,998	172,839	11.06
Support Services:				
Tuition	787,923	708,273	79,650	11.25
Student & Instructional Staff	6,189,717	5,129,190	1,060,527	20.68
General & Business Administration	1,621,382	1,647,645	(26,263)	(1.59)
School Administration	1,964,952	1,690,141	274,811	16.26
Maintenance	2,413,523	2,556,242	(142,719)	(5.58)
Transportation	1,714,418	2,054,985	(340,567)	(16.57)
Food Service	567,851	583,311	(15,460)	(2.65)
Summer Programs	20,901	23,962	(3,061)	(12.77)
Interest on Long-Term Debt	842,475	809,984	32,491	4.01
Total Expenses	<u>38,026,196</u>	<u>33,898,885</u>	<u>4,127,311</u>	12.18
Increases (Decreases) Before Special Items	<u>1,357,687</u>	<u>601,134</u>	<u>756,553</u>	125.85
Special Items:				
Gain (Loss) on Disposal of Assets	-	6,565	(6,565)	(100.00)
Total Special Items	<u>-</u>	<u>6,565</u>	<u>(6,565)</u>	
Increase (Decrease) in Net Position	<u>\$ 1,357,687</u>	<u>\$ 607,699</u>	<u>\$ 749,988</u>	123.42

* = Undefined

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READINGTON TOWNSHIP
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11.4

Governmental Activities

The Readington Township Board of Education resolved on December 11, 2012 to move to a November annual election, thereby requiring voter budget approval only if the tax levy exceeds state mandated cap. Property taxes made up for 75.34 percent of revenues for governmental activities for the Readington Township Public School District for fiscal year 2015.

The dependence upon tax revenues is apparent. The community, as a whole, is the primary support for the Readington Township School District. Instruction comprises 56.2 percent of district expenses. Support services expenses make up 39.5 percent of the expenses, and interest expense comprises 2.3 percent of the expenses.

The statement of activities shows the cost of the program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 6/30/2015 with comparisons to 6/30/2014.

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$21,903,054	\$18,695,152	\$21,294,793	\$18,436,579
Support Services:				
Tuition	787,923	708,273	435,836	347,447
Student & Instructional Staff	6,189,717	5,129,190	6,045,157	5,058,992
General & Business				
Administration	1,621,382	1,647,645	1,476,890	1,528,860
School Administration	1,964,952	1,690,141	1,935,033	1,688,143
Plant Operations &				
Maintenance	2,413,523	2,556,242	2,359,332	2,479,957
Pupil Transportation	1,714,418	2,054,985	1,682,624	2,050,700
Interest on Long-Term Debt	842,475	809,984	842,475	809,984
Total Expenses	<u>\$37,437,444</u>	<u>\$33,291,612</u>	<u>\$36,072,140</u>	<u>\$32,400,662</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student. Pupil and instructional staff costs include the activities involved with assisting staff with content and the process of teaching to students. General administration, school administration and business include expenses associated with administrative and financial supervision of the district. Operation and maintenance of facility activities involve keeping the school grounds, buildings and equipment in an effective working condition. Pupil transportation includes activities involved with the conveyance of students, to and from school as well as to and from school activities, as prescribed by state law. Interest on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

**READINGTON TOWNSHIP PUBLIC SCHOOLS
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11.5

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$34,893,206 and expenditures of \$34,648,704 and other financing sources of \$-0-. The net negative change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of \$715,876. This was due to expenditures for on-going facility projects in the District.

General Fund Budgetary Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2015, the School District amended its general fund budget as needed. The School District uses program based budgeting, and the budgeting systems are designed to tightly control total program budgets and provide flexibility for program management. For the General Fund, budgeted revenues were \$28,529,507, which was \$293,375 above original budgeted estimates of \$28,236,132. This difference was due primarily to realized tuition and state aid in excess of original budgets. The General Fund revenues and other financing sources of the School District were more than expenditures and other financing uses by \$474,578.

Capital Assets

At the end of fiscal year 2015 the District had \$41,858,397 invested in land, buildings, furniture, equipment, and vehicles.

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

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

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 412,362	\$ 412,362	\$ -	0.00
Construction in Progress	19,783	316,994	(297,211)	(93.76)
Land Improvements	594,224	662,341	(68,117)	(10.28)
Buildings & Improvements	39,862,420	39,219,871	642,549	1.64
Machinery & Equipment	644,429	473,552	170,877	36.08
Vehicles	325,179	512,859	(187,680)	(36.59)
Total	<u>\$ 41,858,397</u>	<u>\$ 41,597,979</u>	<u>\$ 260,418</u>	0.63

* = Undefined

Capital additions exceeded depreciation expense and asset disposals in the current fiscal year by \$260,418. Additions to capital assets resulted primarily from the construction of window replacements, roof renovations, and life-skills classroom renovations at Readington Middle School and roof renovations at Whitehouse and Three Bridges Elementary Schools. The District also purchased 18 whiteboards and two new 54-passenger buses.

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11.6

At June 30, 2015, the School District had \$30,246,629 in long-term liabilities. At June 30, 2015 the School District's overall legal debt limit was \$93,296,350 and the legal borrowing margin was \$72,621,350.

Table 5 provides a summary of the District's outstanding long-term liabilities at 6/30/2015 with comparisons to 6/30/2014.

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

	6/30/15	6/30/14	Variance	
			Dollars	%
2006 General Obligation Refunding Bonds	\$ 9,590,000	\$ 9,620,000	\$ (30,000)	(0.31)
2010 General Obligation Refunding Bonds	3,725,000	4,515,000	(790,000)	(17.50)
2013 General Obligation Refunding Bonds	7,360,000	7,855,000	(495,000)	(6.30)
Net Pension Liability	8,570,934	8,508,527	62,407	0.73
Unamortized Bond Premium	463,905	539,493	(75,588)	(14.01)
Compensated Absences	536,790	562,355	(25,565)	(4.55)
	<u>\$ 30,246,629</u>	<u>\$ 31,600,375</u>	<u>\$ (1,353,746)</u>	<u>(4.28)</u>

* = Undefined

Economic Factors and Next Year's Budgets and Rates

The District continues its need to rely upon local taxes as its main source of funding. Therefore, especially in consideration of current economic conditions, the Board of Education has proactively sought to control budget expenses to minimize the impact on the local tax levy. Cost savings measures employed include reductions in staffing levels to reflect declining enrollments, expansion of shared services and optimizing efficient management procedures. The district implemented a new Five Year Strategic Plan in 2013-14 and will continue to formulate its budget to implement its action plans.

The Board of Education developed a budget that was under the state mandated 2% tax levy cap yet still included continued expansion of its Middle School World Language program and enhancement of literacy instruction throughout the district. The district continues to diligently pursue and maintain the fine balance between retaining quality teachers in a competitive teaching market, addressing the needs of students in a 21st Century School and meeting changes to the state's core curriculum standards. The district achieved this while facing continued declining enrollment and compliance with state and federal educational requirements along with increasing mandates and regulations promulgated by the state legislature and state department of education.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Steffi-Jo DeCasas, School Business Administrator/ Board Secretary at Readington Township Board of Education, PO Box 807, 52 Readington Road, Whitehouse Station, New Jersey 08889 or e-mail at sdecasas@readington.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

READINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 2,507,987	\$ 116,453	\$ 2,624,440
Internal Balances	(28,493)	28,493	
Receivables, Net	1,212,951	7,438	1,220,389
Inventory		5,438	5,438
Restricted Assets:			
Cash & Cash Equivalents	4,173,982		4,173,982
Capital Assets (Note 4):			
Land and Construction in Progress	432,145		432,145
Other Capital Assets, Net of Depreciation	41,391,273	34,979	41,426,252
Total Assets	<u>49,689,845</u>	<u>192,801</u>	<u>49,882,646</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	850,144		850,144
Deferred Amount on Refunding Bond Issue	22,682		22,682
Total Deferred Outflows of Resources	<u>872,826</u>	<u>-</u>	<u>872,826</u>
LIABILITIES			
Accounts Payable	537,893	29,141	567,034
Accrued Interest	359,743		359,743
Payables to Governments	2,159		2,159
Unearned Revenue	31,317	42,902	74,219
Long-Term Liabilities:			
Due Within One Year	1,477,883		1,477,883
Due Beyond One Year	28,768,746		28,768,746
Total Liabilities	<u>31,177,741</u>	<u>72,043</u>	<u>31,249,784</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	<u>510,781</u>	<u>-</u>	<u>510,781</u>
NET POSITION			
Net Investment in Capital Assets	21,148,418	34,979	21,183,397
Restricted For:			
Capital Projects	1,204,618		1,204,618
Debt Service	75,758		75,758
Legal Reserves	3,619,131		3,619,131
Unrestricted	<u>(7,173,776)</u>	<u>85,779</u>	<u>(7,087,997)</u>
TOTAL NET POSITION	<u>\$ 18,874,149</u>	<u>\$ 120,758</u>	<u>\$ 18,994,907</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 8,643,793	\$ 6,149,003	\$ 76,222	\$ 58,624	\$ 218,581	\$ (14,439,369)		\$ (14,439,369)
Special Education	3,185,666	2,188,755	43,193	32,093	80,681	(5,218,454)		(5,218,454)
Other Special Education	793,650	560,856		72,011	20,124	(1,262,371)		(1,262,371)
Other Instruction	267,369	113,962			6,732	(374,599)		(374,599)
Support Services:								
Tuition	787,923			352,087		(435,836)		(435,836)
Students & Instruction Related Services	3,733,254	2,456,463		49,920	94,640	(6,045,157)		(6,045,157)
General & Business Administration Services	1,167,133	454,249	117,918		26,574	(1,476,890)		(1,476,890)
School Administration Services	1,173,058	791,894			29,919	(1,935,033)		(1,935,033)
Plant Operations & Maintenance	2,175,824	237,699	54,191			(2,359,332)		(2,359,332)
Pupil Transportation	1,430,378	284,040	31,794			(1,682,624)		(1,682,624)
Interest on Long-Term Debt	842,475					(842,475)		(842,475)
Total Governmental Activities	<u>24,200,523</u>	<u>13,236,921</u>	<u>323,318</u>	<u>564,735</u>	<u>477,251</u>	<u>(36,072,140)</u>	<u>\$ -</u>	<u>(36,072,140)</u>
Business-Type Activities:								
Food Service	567,851		418,003	113,326			(36,522)	(36,522)
Summer Programs	20,901		20,350				(551)	(551)
Total Business-Type Activities	<u>588,752</u>	<u>-</u>	<u>438,353</u>	<u>113,326</u>	<u>-</u>	<u>-</u>	<u>(37,073)</u>	<u>(37,073)</u>
Total Primary Government	<u>\$ 24,789,275</u>	<u>\$ 13,236,921</u>	<u>\$ 761,671</u>	<u>\$ 678,061</u>	<u>\$ 477,251</u>	<u>(36,072,140)</u>	<u>(37,073)</u>	<u>(36,109,213)</u>
General Revenues and Special Items								
Property Taxes Levied for General Purposes						26,582,012		26,582,012
Property Taxes Levied for Debt Service						2,098,623		2,098,623
Federal & State Aid Not Restricted						8,644,779		8,644,779
Investment Earnings						30,984	527	31,511
Miscellaneous Income						109,808	167	109,975
Total General Revenues and Special Items						<u>37,466,206</u>	<u>694</u>	<u>37,466,900</u>
Change in Net Position						<u>1,394,066</u>	<u>(36,379)</u>	<u>1,357,687</u>
Net Position-Beginning						<u>17,480,083</u>	<u>157,137</u>	<u>17,637,220</u>
Net Position-Ending						<u>\$ 18,874,149</u>	<u>\$ 120,758</u>	<u>\$ 18,994,907</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

READINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 2,432,229			\$ 75,758	\$ 2,507,987
Due from Other Funds	159,462				159,462
Receivables from Other Governments:					
State	354,141		\$ 649,767		1,003,908
Federal		\$ 200,253			200,253
Other Receivables	8,790				8,790
Restricted Cash & Equivalents	3,619,131		554,851		4,173,982
TOTAL ASSETS	\$ 6,573,753	\$ 200,253	\$ 1,204,618	\$ 75,758	\$ 8,054,382
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 521,663	\$ 16,230			\$ 537,893
Due to Other Funds	28,493	159,462			187,955
Payables to Other Governments:					
State		2,159			2,159
Unearned Revenue	8,915	22,402			31,317
Total Liabilities	559,071	200,253	\$ -	\$ -	759,324
Fund Balances:					
Restricted:					
Excess Surplus	849,104				849,104
Excess Surplus-Designated for Subsequent Year's Expenditures	757,442				757,442
Capital Projects			1,204,618		1,204,618

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(Continued)

LIABILITIES AND FUND BALANCES (Cont'd)	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Committed:					
Capital Reserve Account	\$ 3,044,892				\$ 3,044,892
Maintenance Reserve Account	367,179				367,179
Emergency Reserve Account	207,060				207,060
Assigned:					
Year-End Encumbrances	182,693				182,693
Designated for Subsequent Year's Expenditures				\$ 75,758	75,758
Unassigned Fund Balance	606,312				606,312
Total Fund Balances	<u>6,014,682</u>	<u>\$ -</u>	<u>\$ 1,204,618</u>	<u>75,758</u>	<u>7,295,058</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,573,753</u>	<u>\$ 200,253</u>	<u>\$ 1,204,618</u>	<u>\$ 75,758</u>	

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

Capital assets used in government activities are not financial resources & therefore
are not reported in the funds. The cost of the assets is
and the accumulated depreciation is

\$ 61,951,304	
<u>20,127,886</u>	41,823,418

Long-term liabilities, including bonds payable and net pension obligations, are not due & payable in the current period
& therefore are not reported as liabilities in the funds

(30,246,629)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore,
are not reported in the funds

339,363

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	26,806
Accum. Amortiz.	<u>4,124</u>

22,682

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

(359,743)

Net Position of Governmental Activities

\$ 18,874,149

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 26,582,012			\$ 2,098,623	\$ 28,680,635
Tuition Charges	119,415				119,415
Transportation Fees	30,651				30,651
Interest Earned on Legal Reserve Funds	9,175				9,175
Interest on Investments	21,809				21,809
Local Contributions		\$ 49,792			49,792
Miscellaneous	78,083				78,083
Total	26,841,145	49,792	\$ -	2,098,623	28,989,560
State Sources	4,660,256		477,251	6,494	5,144,001
Federal Sources	200	514,943			515,143
Total Revenues	31,501,601	564,735	477,251	2,105,117	34,648,704
EXPENDITURES					
Current:					
Instruction:					
Regular Instruction	8,561,728	58,624			8,620,352
Special Education Instruction	3,149,810	32,093			3,181,903
Other Special Instruction	728,214	65,436			793,650
Other Instruction	265,499				265,499
Support Service & Undistributed Costs:					
Tuition	435,836	352,087			787,923
Student & Instruction Related Services	3,682,757	49,632			3,732,389
General & Business Administrative Services	1,048,054				1,048,054
School Administrative Services	1,179,916				1,179,916
Plant Operations & Maintenance	2,133,662				2,133,662
Pupil Transportation	1,252,666				1,252,666
Unallocated Benefits	8,030,910	6,863			8,037,773

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 493,343		\$ 1,193,127		\$ 1,686,470
Debt Service:					
Principal				\$ 1,315,000	1,315,000
Interest & Other Charges	67,811			790,138	857,949
Total Expenditures	<u>31,030,206</u>	<u>\$ 564,735</u>	<u>1,193,127</u>	<u>2,105,138</u>	<u>34,893,206</u>
Net Change in Fund Balances	471,395	-	(715,876)	(21)	(244,502)
Fund Balances, July 1	<u>5,543,287</u>	<u>-</u>	<u>1,920,494</u>	<u>75,779</u>	<u>7,539,560</u>
Fund Balances, June 30	<u>\$ 6,014,682</u>	<u>\$ -</u>	<u>\$ 1,204,618</u>	<u>\$ 75,758</u>	<u>\$ 7,295,058</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$ (244,502)
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. Proceeds from the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the statement of activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation:	
Capital Outlays	\$ 1,686,470
Depreciation Expense	<u>(1,421,041)</u>
	265,429
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and are not reported in the statement of activities:	
Bond Principal Payments	1,315,000
Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are Unearned & amortized in the statement of activities:	
Amortization of Bond Premium	75,588
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	
	17,536
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
	(58,488)
In the statement of activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period	
	(2,062)
In the statement of activities, 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	
	<u>25,565</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,394,066</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 94,031	\$ 16,296	\$ 6,126	\$ 116,453
Due from Other Funds	28,493			28,493
Receivables from Other Governments:				
State	536			536
Federal	6,902			6,902
Inventory	5,438			5,438
Total Current Assets	<u>135,400</u>	<u>16,296</u>	<u>6,126</u>	<u>157,822</u>
Noncurrent Assets:				
Capital Assets	151,333			151,333
Less: Accumulated Depreciation	116,354			116,354
Total Noncurrent Assets	<u>34,979</u>	<u>-</u>	<u>-</u>	<u>34,979</u>
Total Assets	<u>170,379</u>	<u>16,296</u>	<u>6,126</u>	<u>192,801</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	28,756	385		29,141
Unearned Revenues	23,032	14,540	5,330	42,902
Total Liabilities	<u>51,788</u>	<u>14,925</u>	<u>5,330</u>	<u>72,043</u>
NET POSITION				
Net Investment in Capital Assets	34,979			34,979
Unrestricted	83,612	1,371	796	85,779
TOTAL NET POSITION	<u>\$ 118,591</u>	<u>\$ 1,371</u>	<u>\$ 796</u>	<u>\$ 120,758</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 249,901			\$ 249,901
Daily Sales-Nonreimbursable Programs	168,102			168,102
Summer Program Fees		\$ 12,885	\$ 7,465	20,350
Total Operating Revenues	<u>418,003</u>	<u>12,885</u>	<u>7,465</u>	<u>438,353</u>
Operating Expenses:				
Costs of Sales-Reimbursable Programs	168,655			168,655
Costs of Sales-Nonreimbursable Programs	95,399			95,399
Salaries	221,316	9,850	9,440	240,606
Employee Benefits	46,716	822	789	48,327
Purchased Technical Services	1,798			1,798
Purchased Property Services	8,025			8,025
Insurance	2,861			2,861
Management Fee	11,008			11,008
Other Purchased Services	5,920			5,920
General Supplies	527			527
Depreciation	5,011			5,011
Miscellaneous	615			615
Total Operating Expenses	<u>567,851</u>	<u>10,672</u>	<u>10,229</u>	<u>588,752</u>
Operating Income (Loss)	<u>(149,848)</u>	<u>2,213</u>	<u>(2,764)</u>	<u>(150,399)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,875			4,875
Federal Sources:				
National School Lunch Program:				
Cash Assistance	81,616			81,616
Noncash Assistance (Commodities)	26,835			26,835
Miscellaneous	167			167
Interest	527			527
Total Nonoperating Revenues (Expenses)	<u>114,020</u>	<u>-</u>	<u>-</u>	<u>114,020</u>
Other Financing Sources (Uses):				
Transfers In (Out)	<u>-</u>	<u>(2,700)</u>	<u>2,700</u>	<u>-</u>
Change in Net Position	(35,828)	(487)	(64)	(36,379)
Net Position, Beginning	<u>154,419</u>	<u>1,858</u>	<u>860</u>	<u>157,137</u>
Net Position, Ending	<u>\$ 118,591</u>	<u>\$ 1,371</u>	<u>\$ 796</u>	<u>\$ 120,758</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
Cash Flows from Operating Activities:				
Receipts from Customers (Net)	\$ 420,937	\$ 16,260	\$ 6,235	\$ 443,432
Payments to Employees	(75,186)	(9,850)	(9,440)	(94,476)
Payments for Employee Benefits	(6,278)	(822)	(789)	(7,889)
Payments to Food Service Management Company	(416,246)			(416,246)
Payments to Vendors (Net)	(10,723)	(689)	(130)	(11,542)
Net Cash Provided by (Used for) Operating Activities	<u>(87,496)</u>	<u>4,899</u>	<u>(4,124)</u>	<u>(86,721)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	4,894			4,894
Federal Sources	79,953			79,953
General Fund Interfund Activity	(19,593)			(19,593)
Transfers between funds		(2,700)	2,700	
Miscellaneous	167			167
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>65,421</u>	<u>(2,700)</u>	<u>2,700</u>	<u>65,421</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	<u>527</u>	<u>-</u>	<u>-</u>	<u>527</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,548)	2,199	(1,424)	(20,773)
Cash and Cash Equivalents, July 1	<u>115,579</u>	<u>14,097</u>	<u>7,550</u>	<u>137,226</u>
Cash and Cash Equivalents, June 30	<u>\$ 94,031</u>	<u>\$ 16,296</u>	<u>\$ 6,126</u>	<u>\$ 116,453</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (149,848)	\$ 2,213	\$ (2,764)	\$ (150,399)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	5,011			5,011
Federal Food Donation Program	26,835			26,835
(Increase) Decrease in Inventory	804			804
Increase (Decrease) in Accounts Payable	28,384	(304)	(130)	27,950
Increase (Decrease) in Unearned Revenue	1,318	2,990	(1,230)	3,078
Net Cash Provided by (Used for) Operating Activities	<u>\$ (87,496)</u>	<u>\$ 4,899</u>	<u>\$ (4,124)</u>	<u>\$ (86,721)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 16,817	\$ 60,101	\$ 297,741
TOTAL ASSETS	<u>16,817</u>	<u>\$ 60,101</u>	<u>\$ 297,741</u>
LIABILITIES			
Due to Student Groups		\$ 60,101	
Accumulated Interest			\$ 2
Payroll Deductions & Withholdings			<u>297,739</u>
TOTAL LIABILITIES	<u>-</u>	<u>\$ 60,101</u>	<u>\$ 297,741</u>
NET POSITION			
Reserved for Scholarships	<u>\$ 16,817</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Other	\$ 16,817
Total Additions	<u>16,817</u>
Change in Net Position	16,817
Net Position, Beginning of the Year	<u>-</u>
Net Position, End of the Year	<u><u>\$ 16,817</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Basic Financial Statements Include:

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

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

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2015 of 1,752 students.

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

B. Government-Wide and Fund Financial Statements (Cont'd)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service, Summer Enrichment and Summer Sport Camps Funds.

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

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

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

Fiduciary Fund Types

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

Private Purpose Scholarship Fund - This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if required, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund Types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

F. Tuition Receivable

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

G. Tuition Payable

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

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

J. Capital Assets

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

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

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

Assets	Years
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Maintenance Equipment	15
Furniture	20
Musical Instruments	10
Office Equipment	10
Athletic Equipment	10
Audio Visual Equipment	10
Computer Equipment	5
Buses	8
Vehicles	8

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

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

L. Unearned revenue

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

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

M. Long-Term Obligations

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

N. Fund Balances-Governmental Funds

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

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

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

P. Allocation of Indirect Expenses

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

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

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

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

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

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

NOTE 3. DEPOSITS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Cont'd)

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

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

Cash		<u>\$ 7,173,081</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 6,681,969
Enterprise Fund, Statement of Net Position	B-4	116,453
Fiduciary Funds, Statement of Net Position	B-7	<u>374,659</u>
Total Cash & Investments		<u>\$ 7,173,081</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$7,173,081 and the bank balance is \$7,603,820. Of the bank balance, \$250,000 is covered by federal depository insurance and \$7,353,820 is insured by GUDPA.

Deposit and Investment Risk

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 3. DEPOSITS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk (Cont'd)

As the district has no such investments, this disclosure is not applicable.

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

Concentration of Credit Risk

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

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 412,362			\$ 412,362
Construction in Progress	316,994	\$ 1,420,527	\$ 1,717,738	19,783
Total	<u>729,356</u>	<u>1,420,527</u>	<u>1,717,738</u>	<u>432,145</u>
Capital Assets, Being				
Depreciated:				
Land Improvements	2,060,694			2,060,694
Building & Improvements	52,757,991	1,717,738		54,475,729
Furniture & Equipment	2,426,211	265,943		2,692,154
Buses & Other Vehicles	2,290,582			2,290,582
Total	<u>59,535,478</u>	<u>1,983,681</u>	<u>-0-</u>	<u>61,519,159</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 is as follows: (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	\$ 1,398,353	\$ 68,117		\$ 1,466,470
Building & Improvements	13,538,120	1,075,189		14,613,309
Furniture & Equipment	1,992,649	90,055		2,082,704
Buses & Other Vehicles	1,777,723	187,680		1,965,403
Total	<u>18,706,845</u>	<u>1,421,041</u>	<u>\$ -0-</u>	<u>20,127,886</u>
 Total Capital Assets, Being Depreciated, Net	 <u>40,828,633</u>	 <u>562,640</u>	 <u>-0-</u>	 <u>41,391,273</u>
 Transfers	 <u>-0-</u>	 <u>(1,717,738)</u>	 <u>(1,717,738)</u>	 <u>-0-</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 41,557,989</u>	 <u>\$ 256,429</u>	 <u>\$ -0-</u>	 <u>\$ 41,823,418</u>
 Business-Type Activities:				
Furniture & Equipment	\$ 151,333			\$ 151,333
Less: Accum Depreciation	<u>111,343</u>	<u>\$ 5,011</u>		<u>116,354</u>
Business-Type Activities Capital Assets, Net	<u>\$ 39,990</u>	<u>\$ 5,011</u>	<u>\$ -0-</u>	<u>\$ 34,979</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 560,699
Special Education	201,641
Other Special Instruction	49,356
Co-curricular Activities	18,381
Support Services:	
Student & Instruction	234,290
General & Business Admin	66,338
School Administration	73,477
Plant & Maintenance	40,290
Pupil Transportation	<u>176,569</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 1,421,041</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 5. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 21,990,000		\$ 1,315,000	\$ 20,675,000	\$ 1,370,000
PERS Net Pension Liability	8,508,527	\$ 62,407		8,570,934	
Unamortized Bond Premiums	539,493		75,588	463,905	75,588
Compensated Absences Payable	562,355	7,087	32,652	536,790	32,295
Total Governmental Activities Long-Term Liabilities	<u>\$ 31,600,375</u>	<u>\$ 69,494</u>	<u>\$ 1,423,240</u>	<u>\$ 30,246,629</u>	<u>\$ 1,477,883</u>

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

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,370,000	\$ 749,962	\$ 2,119,962
2017	1,410,000	706,813	2,116,813
2018	1,460,000	658,337	2,118,337
2019	1,535,000	599,163	2,134,163
2020	1,595,000	537,500	2,132,500
2021-2025	9,170,000	1,709,763	10,879,763
2026-2027	4,135,000	182,775	4,317,775
Total	<u>\$ 20,675,000</u>	<u>\$ 5,144,313</u>	<u>\$ 25,819,313</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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

\$7,905,000 - general obligation refunding bonds due in annual installments of \$50,000 to \$725,000 beginning January 1, 2014 through January 1, 2027, interest from 3.00% to 4.00%	\$ 7,360,000
\$5,415,000 - 2010 general obligation refunding bonds due in annual installments of \$20,000 to \$935,000 beginning January 15, 2011, through July 15, 2019, interest from 1.625% to 5.00%	3,725,000
\$10,000,000 - 2006 general obligation refunding bonds, due in annual installments of \$25,000 to \$1,355,000 beginning January 15, 2008, through July 15, 2026 interest at 4.00%	<u>9,590,000</u>
	<u>\$ 20,675,000</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$93,296,350. General obligation debt at June 30, 2015 is \$20,675,000. This results in a legal borrowing margin of \$72,621,350

NOTE 6. PENSION PLANS

Description of Systems

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Allocation Methodology and Reconciliation to Financial Statements

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

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

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

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

	2014	2013
Total Pension Liability	\$ 17,886,222	\$ 16,593,373
Plan Fiduciary Net Position	<u>9,315,288</u>	<u>8,084,846</u>
Net Pension Liability	<u>\$ 8,570,934</u>	<u>\$ 8,508,527</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%
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The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate 3.01%

Salary Increases (Based on Age):

2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%

Investment Rate of Return 7.90%

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

Discount Rate

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

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

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

	2014
At Current Discount Rate (5.39%)	\$ 8,570,934
At a 1% Lower Rate (4.39%)	10,782,527
At a 1% Higher Rate (6.39%)	6,713,759
	2013
At Current Discount Rate (5.55%)	\$ 8,508,527
At a 1% Lower Rate (4.55%)	10,591,995
At a 1% Higher Rate (6.55%)	6,762,856

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	269,516	
Net difference between projected and actual earnings on pension plan investments		510,781

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 203,239	
District contributions subsequent to the measurement date	<u>377,389</u>	
Total	<u>\$ 850,144</u>	<u>\$ 510,781</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$377,389 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

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

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Deferred Outflows of Resources:							
Changes of Assumptions	\$ -0-	\$	319,059	\$	49,543	\$	269,516
Deferred Inflows of Resources:							
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-		638,476		127,695		<u>510,781</u>
Net of Deferred Outflows/(Inflows)							<u>\$ (241,265)</u>

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

<u>Year Ending June 30,</u>	
2015	\$ (78,152)
2016	(78,152)
2017	(78,152)
2018	(78,152)
2019	49,543
Thereafter	<u>21,800</u>
Total	<u>\$ (241,265)</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

Pension Expense

For the year ended June 30, 2015, the District recognized net pension expense of \$435,877 which represents the District's proportionate share of allocable plan pension expense of \$440,654 plus the net amortization of deferred amounts from changes in proportion of \$37,360 and less other adjustments to the net pension liability of \$42,137. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 401,015
Interest on Total Pension Liability	946,164
Member Contributions	(219,614)
Administrative Expense	6,688
Expected Investment Return Net of Investment Expense	(612,724)
Pension Expense Related to Specific Liabilities of Individual Employers	(2,723)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	49,543
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	(127,695)
Pension Expense	<u>\$ 440,654</u>

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

Plan Description

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Special Funding Situation

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

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

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

	2014	2013
PERS Net Pension Liability	\$ 73,924,434	\$ 73,638,734
Employer Pension Expense & Related Revenue	3,977,829	N/A
Non-Employer Contribution	587,543	943,687
Allocable Proportionate Percentage	0.1383141917%	0.1457061328%

C. Defined Contribution Retirement Program

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements

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

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

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/15	\$ 1,974,605	100%
06/30/14	1,544,513	100%
06/30/13	2,006,071	100%

Three Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/15	\$ 377,389	100%
06/30/14	335,444	100%
06/30/13	343,867	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$1,211,473 to the TPAF for post-retirement medical benefits and \$51,219 for the non-contributory premiums, and \$711,913 for normal pension costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,000,672 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the state contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

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

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

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)

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

NOTE 8. DEFERRED COMPENSATION

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

AXA Equitable Funds	Lincoln Investment Planning
Siracusa Benefits Programs	Financial Network Investments
	Lincoln National Life Insurance Co
	Financial Resources & Retirement Inc

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

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

Fund	Receivable Fund	Payable Fund
General Fund	\$ 159,462	\$ 28,493
Special Revenue Fund		159,462
Food Service Fund	<u>28,493</u>	
	<u>\$ 187,955</u>	<u>\$ 187,955</u>

The balance due from the Special Revenue Fund to the General Fund of \$159,462 represents a loan from the General Fund due to cash flow issues related to the delayed receipt of grant revenues.

The balance due from the General Fund to the Food Service Fund of \$28,493 represents lunch aid received in the General Fund but not yet disbursed to the Food Service Enterprise Fund as of June 30, 2015.

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 10. INVENTORY

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

Food	\$	2,942
Supplies		<u>2,496</u>
	\$	<u>5,438</u>

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

NOTE 11. CONTINGENT LIABILITIES

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

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS

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

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d) 1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District transferred \$500,000 to their Capital Reserve account by board resolution in June 2015.

The following is a summarization of the Legal Reserve Accounts for the Current year:

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Local Funding	With- drawal	Ending Balance
Capital	\$ 2,359,743	\$ 500,000	\$ 8,442	\$ 176,707		\$ 3,044,892
Emergency	206,327		733			207,060
Maintenance	378,299			2,880	\$ 14,000	367,179
Totals	<u>\$ 2,944,369</u>	<u>\$ 500,000</u>	<u>\$ 9,175</u>	<u>\$ 179,587</u>	<u>\$ 14,000</u>	<u>\$ 3,619,131</u>

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 exceeded the balance in the capital reserve account.

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS

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

	<u>2015</u>	<u>2014</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets	\$ 846,855	\$ 757,442
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	757,442	702,390
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	3,044,892	2,359,743
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	367,179	378,299
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	207,060	206,327
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	182,693	499,975
Designated for Subsequent User's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements		56,696
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>738,423</u>	<u>709,094</u>
Total Fund Balance	<u>\$ 6,144,544</u>	<u>\$ 5,669,966</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2005, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$846,855.

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 19, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

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

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

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

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

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

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION

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

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 25,653,166
Add: Deferred Outflow of Resources for Pension Activity	335,444
Less: Net Pension Liability as of June 30, 2014	<u>(8,508,527)</u>
Net Position, June 30, 2014 as Restated	<u>\$ 17,480,083</u>

NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$7,173,776 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 26,582,012		\$ 26,582,012	\$ 26,582,012	
Tuition from Individuals	35,000		35,000	76,222	\$ 41,222
Tuition from Other LEAs Within the State	29,000		29,000	43,193	14,193
Transportation Fees from Individuals	2,700		2,700	7,290	4,590
Transportation Fees-Other LEAs Within the State				23,361	23,361
Interest Earned on Capital Reserve Funds				8,442	8,442
Interest Earned on Emergency Reserve Funds				733	733
Interest on Investments				21,809	21,809
Building Use Rental Income	35,000		35,000	43,863	8,863
Unrestricted Miscellaneous Revenues	70,000		70,000	34,220	(35,780)
Total	26,753,712	\$ -	26,753,712	26,841,145	87,433
State Sources:					
Categorical Special Education Aid	1,137,296		1,137,296	1,137,296	
Categorical Security Aid	67,253		67,253	67,253	
Categorical Transportation Aid	155,563		155,563	155,563	
Additional Adjustment Aid	9,488		9,488	9,488	
PARCC Readiness Aid	16,410		16,410	16,410	
Per Pupil Growth Aid	16,410		16,410	16,410	
Payment for Institutionalized Children-Unknown District of Residence				28,746	28,746
Extraordinary Aid:					
Current Year Award	80,000		80,000	243,633	163,633
Prior Year Additional Award		1,921	1,921	1,921	
Nonpublic Transportation Aid				11,442	11,442
On-Behalf TPAF Pension Contribution				763,132	763,132
On-Behalf TPAF Post Retirement Medical Benefits				1,211,473	1,211,473
Reimbursed TPAF Social Security Contribution				1,000,672	1,000,672
Total	1,482,420	1,921	1,484,341	4,663,439	3,179,098
Federal Sources:					
ARRA Medical Assistance Program (SEMI)	-	-	-	200	200
TOTAL REVENUES	\$ 28,236,132	\$ 1,921	\$ 28,238,053	\$ 31,504,784	\$ 3,266,731
EXPENDITURES					
Current:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 528,182	\$ 6,779	\$ 534,961	\$ 509,762	\$ 25,199
Grades 1-5	4,036,120	9,261	4,045,381	4,045,147	234
Grades 6-8	3,471,370	88,826	3,560,196	3,474,382	85,814
Regular Programs-Home Instruction:					
Salaries of Teachers	5,518		5,518	3,885	1,633
Purchased Professional-Educational Services	10,000		10,000	7,465	2,535
Other Purchased Services	250		250	116	134
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction		13,838	13,838	13,838	
Purchased Professional-Educational Services	1,900	80	1,980	1,165	815
Other Purchased Services	78,450	8,500	86,950	69,353	17,597
General Supplies	490,562	(31,074)	459,488	394,626	64,862
Textbooks	45,579	(2,827)	42,752	40,776	1,976
Other Objects	2,100		2,100	1,213	887
Total	8,670,031	93,383	8,763,414	8,561,728	201,686
Special Education-Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	137,272	(9,030)	128,242	127,811	431
Other Salaries for Instruction	43,038	(1,680)	41,358	41,016	342
Other Purchased Services	2,000		2,000	1,005	995
General Supplies	3,300	5,751	9,051	9,051	
Total	185,610	(4,959)	180,651	178,883	1,768

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,065,999	\$ 31,739	\$ 2,097,738	\$ 2,097,738	
Other Salaries for Instruction	498,482	(31,945)	466,537	466,537	
General Supplies	22,800	139	22,939	22,811	\$ 128
Textbooks	650	(543)	107	107	
Total	2,587,931	(610)	2,587,321	2,587,193	128
Autism:					
Salaries of Teachers		60,606	60,606	60,606	
Other Salaries for Instruction		64,108	64,108	64,108	
Total	-	124,714	124,714	124,714	-
Preschool Disabilities-Part Time:					
Salaries of Teachers	207,606	(169,894)	37,712	29,934	7,778
Other Salaries for Instruction	53,064	10,502	63,566	63,566	
General Supplies	2,150	386	2,536	2,512	24
Total	262,820	(159,006)	103,814	96,012	7,802
Preschool Disabilities-Full Time:					
Salaries of Teachers		164,124	164,124	155,083	9,041
Other Salaries for Instruction		8,115	8,115	7,925	190
Total	-	172,239	172,239	163,008	9,231
Total Special Education-Instruction	3,036,361	132,378	3,168,739	3,149,810	18,929
Basic Skills/Remedial:					
Salaries of Teachers	642,012	45,533	687,545	657,386	30,159
General Supplies	3,111		3,111	2,633	478
Total	645,123	45,533	690,656	660,019	30,637
Bilingual Education:					
Salaries of Teachers	67,498	1,620	69,118	66,870	2,248
Other Purchased Services	1,300	287	1,587	1,260	327
General Supplies	300	286	586	65	521
Total	69,098	2,193	71,291	68,195	3,096
School Sponsored Co/Extra Curricular Activities:					
Salaries	98,000	5,564	103,564	103,553	11
Purchased Services	2,450		2,450	921	1,529
Supplies & Materials	9,402	(35)	9,367	5,197	4,170
Other Objects	65	35	100	100	
Total	109,917	5,564	115,481	109,771	5,710
School Sponsored Athletics:					
Salaries	137,500	(4,815)	132,685	128,900	3,785
Purchased Services	22,073	(825)	21,248	16,733	4,515
Supplies & Materials	10,101	1,350	11,451	8,520	2,931
Other Objects	1,200	375	1,575	1,575	
Total	170,874	(3,915)	166,959	155,728	11,231
Total Instruction	\$ 12,701,404	\$ 275,136	\$ 12,976,540	\$ 12,705,251	\$ 271,289
Undistributed Expenditures:					
Instruction-Tuition:					
Private School for Disabled Within the State	\$ 531,655	\$ (95,819)	\$ 435,836	\$ 435,836	
Total	531,655	(95,819)	435,836	435,836	\$ -

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Health Services:					
Salaries	\$ 281,509	\$ 8,263	\$ 289,772	\$ 286,954	\$ 2,818
Purchased Professional & Technical Services	4,371		4,371	3,870	501
Other Purchased Services	1,200	(97)	1,103	1,025	78
Supplies & Materials	14,850		14,850	14,618	232
Other Objects	500		500	340	160
Total	302,430	8,166	310,596	306,807	3,789
Speech, OT, PT & Related Services:					
Salaries	515,398	5,187	520,585	520,585	
Purchased Professional-Educational Services	123,710	(11,351)	112,359	112,359	
Supplies & Materials	3,500	64	3,564	3,564	
Total	642,608	(6,100)	636,508	636,508	-
Other Support Services-Students-Extraordinary:					
Salaries	426,900	29,351	456,251	456,251	
Purchased Professional-Educational Services	6,500	(6,305)	195	195	
Supplies and Materials		56	56		56
Total	433,400	23,102	456,502	456,446	56
Guidance:					
Salaries of Other Professional Staff	474,286	(1,888)	472,398	472,398	
Salaries of Secretarial & Clerical Assistants	41,097	430	41,527	41,527	
Other Salaries		147	147	120	27
Purchased Professional-Educational Services	900	(662)	238	238	
Other Purchased Services	1,400	(604)	796	796	
Supplies & Materials	24,427	(16,785)	7,642	7,617	25
Total	542,110	(19,362)	522,748	522,696	52
Child Study Team:					
Salaries of Other Professional Staff	631,959	(649)	631,310	627,086	4,224
Salaries of Secretarial & Clerical Assistants	125,723	2,479	128,202	127,098	1,104
Other Salaries	3,000		3,000	1,410	1,590
Other Purchased Professional & Technical Services	55,097	(8,541)	46,556	35,234	11,322
Other Purchased Services	3,050		3,050	1,138	1,912
Miscellaneous Purchased Services	18,640	12,400	31,040	16,186	14,854
Supplies & Materials	18,050	(3,321)	14,729	12,458	2,271
Total	855,519	2,368	857,887	820,610	37,277
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	205,577	6,604	212,181	212,181	
Salaries of Other Professional Staff	24,870	(6,572)	18,298	18,298	
Salaries of Secretarial & Clerical Assistants	25,561	252	25,813	25,813	
Other Purchased Services	6,780	(1,014)	5,766	5,170	596
Supplies & Materials	4,475	1,858	6,333	6,085	248
Other Objects	5,200	(394)	4,806	4,806	
Total	272,463	734	273,197	272,353	844
Educational Media Services/School Library:					
Salaries	488,968	(112,701)	376,267	372,307	3,960
Salaries of Technology Coordinators	46,589	5,417	52,006	52,006	
Purchased Professional & Technical Services	10,000		10,000	4,320	5,680
Other Purchased Services	127,195	(105)	127,090	120,329	6,761
Supplies & Materials	27,587	(761)	26,826	16,694	10,132
Other Objects	50		50		50
Total	700,389	(108,150)	592,239	565,656	26,583

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 68,900	\$ 17,262	\$ 86,162	\$ 57,316	\$ 28,846
Salaries of Secretarial & Clerical Assistants	25,561	252	25,813	25,813	
Other Purchased Services	31,945	(8,481)	23,464	16,353	7,111
Supplies & Materials	2,500	(56)	2,444	2,199	245
Total	128,906	8,977	137,883	101,681	36,202
Support Services General Administration:					
Salaries	232,233	(6,166)	226,067	213,428	12,639
Legal Services	65,000	19,678	84,678	79,853	4,825
Audit Fees	27,000	500	27,500	27,500	
Architectural/Engineering Services	5,000	(5,000)			
Other Purchased Professional Services	14,625	132	14,757	14,687	70
Purchased Technical Services		2,908	2,908	2,908	
Communications & Telephone	136,224	(20,590)	115,634	114,253	1,381
Board of Education Other Purchased Services	6,200	(2,000)	4,200	3,668	532
Miscellaneous Purchased Services	94,700	(31,075)	63,625	58,800	4,825
General Supplies	4,000	(1,000)	3,000	2,859	141
Board of Education In-House Train/Meeting Supplies	1,100	(349)	751	618	133
Miscellaneous Expenditures	3,000	(529)	2,471	2,345	126
Board of Education Membership Dues and Fees	17,400	(232)	17,168	17,168	
Total	606,482	(43,723)	562,759	538,087	24,672
Support Services School Administration:					
Salaries of Principals/Assistant Principals	715,654	13,251	728,905	728,905	
Salaries of Secretarial & Clerical Assistants	388,421	(12,155)	376,266	375,936	330
Purchased Professional & Technical Services	31,975	(31,975)			
Other Purchased Services	23,050	29,200	52,250	48,429	3,821
Supplies & Materials	24,529	2,249	26,778	21,924	4,854
Other Objects	11,920	(4,478)	7,442	4,722	2,720
Total	1,195,549	(3,908)	1,191,641	1,179,916	11,725
Central Services:					
Salaries	404,225	10,718	414,943	414,943	
Purchased Professional Services	900		900	750	150
Purchased Technical Service	16,300		16,300	10,821	5,479
Miscellaneous Purchased Services	8,350		8,350	5,285	3,065
Supplies & Materials	5,350	(72)	5,278	5,263	15
Miscellaneous Expenditures	2,475	72	2,547	2,547	
Total	437,600	10,718	448,318	439,609	8,709
Administrative Information Technology:					
Salaries	72,979	(3,390)	69,589	69,256	333
Other Purchased Services	4,000	(500)	3,500	802	2,698
Supplies & Materials		500	500		500
Other Objects	1,200		1,200	300	900
Total	78,179	(3,390)	74,789	70,358	4,431
Required Maintenance for School Facilities:					
Salaries	333,120	(9,601)	323,519	321,311	2,208
Cleaning Repair & Maintenance Services	142,000	(6,323)	135,677	90,772	44,905
General Supplies	91,597	(9,983)	81,614	33,229	48,385
Total	566,717	(25,907)	540,810	445,312	95,498

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Custodial Services:					
Salaries	\$ 164,696	\$ (1,188)	\$ 163,508	\$ 153,156	\$ 10,352
Purchased Professional & Technical Services	33,783	20,063	53,846	36,209	17,637
Cleaning Repair & Maintenance Services	569,139	16,383	585,522	576,017	9,505
Other Purchased Property Services	20,850	3,565	24,415	23,783	632
Insurance	50,000	20,014	70,014	70,014	
Miscellaneous Purchased Services	1,000	2,854	3,854	2,839	1,015
General Supplies	133,074	(5,700)	127,374	69,167	58,207
Energy (Natural Gas)	181,113	45,000	226,113	199,567	26,546
Energy (Electricity)	563,073	(75,236)	487,837	450,363	37,474
Other Objects	3,000		3,000	480	2,520
Total	1,719,728	25,755	1,745,483	1,581,595	163,888
Care and Upkeep of Grounds:					
Salaries	53,842	650	54,492	53,277	1,215
Cleaning, Repair, and Maintenance Services	12,480	13,178	25,658	16,090	9,568
General Supplies	10,944	1,888	12,832	12,795	37
Total	77,266	15,716	92,982	82,162	10,820
Security:					
Purchased Professional & Technical Services	7,608	16,985	24,593	24,593	
Total	7,608	16,985	24,593	24,593	-
Student Transportation Services:					
Salaries of Noninstructional Aides	10,752	3,174	13,926	13,926	
Salaries-Pupil Transportation (Between Home & School)-Regular	528,842	(15,654)	513,188	498,157	15,031
Salaries-Pupil Transportation (Between Home & School)-Special Education	171,087	(7,923)	163,164	161,128	2,036
Salaries-Pupil Transportation (Other Than Between Home & School)	25,000		25,000	16,064	8,936
Management Fee-ESC Transportation Program	10,927		10,927	7,623	3,304
Other Purchased Professional & Technical Services	102,127	(10,000)	92,127	81,373	10,754
Cleaning Repair & Maintenance Services	19,180	10,000	29,180	27,233	1,947
Contracted Services (Aid in Lieu of Payments-Choice School Students)		790	790	790	
Contracted Services (Other than between Home & School)-Vendor		7,259	7,259	7,259	
Contracted Services (Between Home & School)-Joint Agreements	85,259	(21,658)	63,601	56,063	7,538
Contracted Services (Reg. Students)-ESCs & CTSAs		6,020	6,020	6,020	
Contracted Services (Special Education Students)-ESCs & CTSAs	191,082	(26,021)	165,061	136,463	28,598
Miscellaneous Purchased Services-Transportation	39,084	10,536	49,620	39,158	10,462
General Supplies	2,500		2,500	1,856	644
Transportation Supplies	259,497		259,497	199,403	60,094
Other Objects	150		150	150	
Total	1,445,487	(43,477)	1,402,010	1,252,666	149,344
Allocated Benefits-Student Transportation Services:					
Social Security Contributions	60,000	(60,000)			
Other Retirement Contributions-PERS	79,494	(79,494)			
Other Retirement Contributions-Regular	5,000	(5,000)			
Unemployment Compensation	5,500	(5,500)			
Workmen's Compensation	7,533	(7,533)			
Health Benefits	350,149	(350,149)			
Other Employee Benefits	3,600	(3,600)			
Total	511,276	(511,276)	-	-	-

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	\$ 293,089	\$ 60,000	\$ 353,089	\$ 327,762	\$ 25,327
Other Retirement Contributions-PERS	362,506	64,094	426,600	380,856	45,744
Other Retirement Contributions-Regular	10,000	5,000	15,000	11,278	3,722
Unemployment Compensation	68,008	5,500	73,508	71,964	1,544
Workmen's Compensation	180,782	12,036	192,818	187,420	5,398
Health Benefits	4,077,524	316,085	4,393,609	3,890,179	503,430
Tuition Reimbursement	98,045	2,364	100,409	83,610	16,799
Other Employee Benefits	141,200	2,338	143,538	102,564	40,974
Total	5,231,154	467,417	5,698,571	5,055,633	642,938
Total Employee Benefits	5,742,430	(43,859)	5,698,571	5,055,633	642,938
On-Behalf TPAF Pension Contributions				763,132	(763,132)
On-Behalf TPAF Post Retirement Medical Benefits				1,211,473	(1,211,473)
Reimbursed TPAF Social Security Contributions				1,000,672	(1,000,672)
Total	-	-	-	2,975,277	(2,975,277)
Total Undistributed Expenditures	\$ 16,286,526	\$ (281,174)	\$ 16,005,352	\$ 17,763,801	\$ (1,758,449)
TOTAL CURRENT	\$ 28,987,930	\$ (6,038)	\$ 28,981,892	\$ 30,469,052	\$ (1,487,160)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ 34,632	\$ 34,632	\$ 69,264	\$ 69,264	
Required Maintenance For School Facilities		14,965	14,965	14,965	
School Buses-Regular	185,714	90,000	275,714	181,714	\$ 94,000
Total	220,346	139,597	359,943	265,943	94,000
Facilities Acquisition and Construction Services:					
Legal Services	2,945	(154)	2,791	487	2,304
Architectural/Engineering Services	26,498	(1,845)	24,653	11,454	13,199
Other Purchased Prof & Technical Services	375		375		375
Construction Services	374,288	(4,392)	369,896	215,459	154,437
Supplies and Materials		6,393	6,393		6,393
NJ SDA Debt Service Assessment	67,811		67,811	67,811	
Total	471,917	2	471,919	295,211	176,708
TOTAL CAPITAL OUTLAY	\$ 692,263	\$ 139,599	\$ 831,862	\$ 561,154	\$ 270,708
TOTAL EXPENDITURES	\$ 29,680,193	\$ 133,561	\$ 29,813,754	\$ 31,030,206	\$ (1,216,452)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,444,061)	\$ (131,640)	\$ (1,575,701)	\$ 474,578	\$ 2,050,279
Other Financing Sources (Uses):					
Transfer Out-Capital Reserve Fund to Capital Projects Fund	(1,098,000)		(1,098,000)		1,098,000
Total Other Financing Sources (Uses)	(1,098,000)	-	(1,098,000)	-	1,098,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,542,061)	(131,640)	(2,673,701)	474,578	3,148,279
Fund Balances, July 1	5,669,966	-	5,669,966	5,669,966	-
Fund Balances, June 30	\$ 3,127,905	\$ (131,640)	\$ 2,996,265	\$ 6,144,544	\$ 3,148,279

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Adjustment for Prior Year Encumbrances	\$ (499,975)		\$ (499,975)	\$ (499,975)	
Increase in Capital Reserve		\$ 685,149	685,149	685,149	
Increase in Maintenance Reserve		2,880	2,880	2,880	
Increase in Emergency Reserve		733	733	733	
Withdrawals from Maintenance Reserve		(14,000)	(14,000)	(14,000)	
Withdrawals from Capital Reserve	(1,283,000)		(1,283,000)		\$ 1,283,000
Budgeted Fund Balance	(759,086)	(806,402)	(1,565,488)	299,791	1,865,279
TOTAL	\$ (2,542,061)	\$ (131,640)	\$ (2,673,701)	\$ 474,578	\$ 3,148,279

RECAPITULATION OF FUND BALANCE

	Actual
Restricted Fund Balance:	
Excess Surplus:	
Prior Year-Designated for 2015-2016 Budget	\$ 757,442
Current Year-Designated for 2016-2017 Budget	849,104
Committed Fund Balance:	
Capital Reserve	3,044,892
Maintenance Reserve	367,179
Emergency Reserve	207,060
Assigned Fund Balance:	
Year-End Encumbrances	182,693
Unassigned Fund Balance	736,174
	6,144,544
Reconciliation to Governmental Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	(129,862)
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 6,014,682</u>

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

(Not Applicable to this Report)

READINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 50,292		\$ 50,292	\$ 49,792	\$ (500)
Federal Sources	<u>525,912</u>		<u>525,912</u>	<u>508,130</u>	<u>(17,782)</u>
TOTAL REVENUES	<u>\$ 576,204</u>	<u>\$ -</u>	<u>\$ 576,204</u>	<u>\$ 557,922</u>	<u>\$ (18,282)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 2,400		\$ 2,400	\$ 2,400	
Other Purchased Services	375,944	\$ (14,150)	361,794	361,181	\$ 613
General Supplies	<u>125,452</u>	<u>19,469</u>	<u>144,921</u>	<u>144,421</u>	<u>500</u>
Totals	<u>503,796</u>	<u>5,319</u>	<u>509,115</u>	<u>508,002</u>	<u>1,113</u>
Support Services:					
Salaries	3,758		3,758	3,758	
Personal Services Employee Benefits	287	1	288	288	
Purchased Professional & Technical Services	31,000		31,000	25,279	5,721
Other Purchased Services	30,000	(4,320)	25,680	14,232	11,448
Supplies & Materials	6,363		6,363	6,363	
Miscellaneous Expenditures	<u>1,000</u>	<u>(1,000)</u>			
Total	<u>72,408</u>	<u>(5,319)</u>	<u>67,089</u>	<u>49,920</u>	<u>17,169</u>
TOTAL EXPENDITURES	<u>\$ 576,204</u>	<u>\$ -</u>	<u>\$ 576,204</u>	<u>\$ 557,922</u>	<u>\$ 18,282</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

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

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 31,504,784	\$ 557,922
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Prior Year		10,933
Outstanding Encumbrances Current Year		(4,120)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	126,679	
State Aid Receivable Current Year	(129,862)	
Total Revenues (GAAP Basis)	<u>\$ 31,501,601</u>	<u>\$ 564,735</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 31,030,206	\$ 557,922
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:		
Outstanding Encumbrances Prior Year		10,933
Outstanding Encumbrances Current Year		(4,120)
Total Expenditures (GAAP Basis)	<u>\$ 31,030,206</u>	<u>\$ 564,735</u>

REQUIRED SUPPLEMENTARY INFORMATION-PART III

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		73,924,434	73,638,734							
Total	\$ -	\$ 73,924,434	\$ 73,638,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 13,993,415	\$ 13,904,799							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 763,132	\$ 585,126	\$ 941,487	\$ 451,476	\$ 44,175	\$ 48,019	\$ 45,656	\$ 1,041,392	\$ 994,552	\$ 124,617
Contributions in Relation to the Contractually Required Contribution	(763,132)	(585,126)	(941,487)	(451,476)	(44,175)	(48,019)	(45,656)	(1,041,392)	(994,552)	(124,617)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 13,835,859	\$ 13,993,415	\$ 13,904,799	\$ 13,563,963	\$ 14,039,057	\$ 14,103,692	\$ 14,135,062	\$ 13,524,841	\$ 12,953,650	\$ 12,608,925
Contributions as a Percentage of Covered Employee Payroll	5.52%	4.18%	6.77%	3.33%	0.31%	0.34%	0.32%	7.70%	7.68%	0.99%

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0457782148%	0.0445193222%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 8,570,934	\$ 8,508,527							
District's Covered Employee Payroll	N/A	3,191,173	3,026,223	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		268.58%	281.16%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 377,389	\$ 335,444	\$ 343,867	\$ 459,728	\$ 430,105	\$ 329,262	\$ 275,006	\$ 218,570	\$ 117,427	\$ 55,905
Contributions in Relation to the Contractually Required Contribution	(377,389)	(335,444)	(343,867)	(459,728)	(430,105)	(329,262)	(275,006)	(218,570)	(117,427)	(55,905)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 3,084,486	\$ 3,191,173	\$ 3,026,223	\$ 2,901,557	\$ 3,030,474	\$ 4,099,330	\$ 3,854,541	\$ 3,550,207	\$ 3,342,575	\$ 3,315,796
Contributions as a Percentage of Covered Employee Payroll	12.24%	10.51%	11.36%	15.84%	14.19%	8.03%	7.13%	6.16%	3.51%	1.69%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
(UNAUDITED)

JUNE 30, 2014 AND 2013

NOTE 1. SPECIAL FUNDING SITUATION-TPAF

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

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

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

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

	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Preschool	Local Grants	Totals
REVENUES						
Local Sources					\$ 49,792	\$ 49,792
Federal Sources	\$ 79,768	\$ 19,179	\$ 395,905	\$ 13,278		508,130
TOTAL REVENUES	<u>\$ 79,768</u>	<u>\$ 19,179</u>	<u>\$ 395,905</u>	<u>\$ 13,278</u>	<u>\$ 49,792</u>	<u>\$ 557,922</u>
EXPENDITURES						
Instruction:						
Salaries					\$ 2,400	\$ 2,400
Other Purchased Services		\$ 9,387	\$ 339,794	\$ 12,000		361,181
General Supplies	\$ 65,436		30,815	1,278	46,892	144,421
Totals	<u>65,436</u>	<u>9,387</u>	<u>370,609</u>	<u>13,278</u>	<u>49,292</u>	<u>508,002</u>
Support Services:						
Salaries			3,758			3,758
Personal Services-Employee Benefits			288			288
Purchased Professional & Technical Services	9,000	4,279	12,000			25,279
Other Purchased Services	5,232		8,500		500	14,232
Supplies & Materials	100	5,513	750			6,363
Total	<u>14,332</u>	<u>9,792</u>	<u>25,296</u>	<u>-</u>	<u>500</u>	<u>49,920</u>
TOTAL EXPENDITURES	<u>\$ 79,768</u>	<u>\$ 19,179</u>	<u>\$ 395,905</u>	<u>\$ 13,278</u>	<u>\$ 49,792</u>	<u>\$ 557,922</u>

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			Prior Years	Current Year	
ROD 1-HVAC Upgrades	04/30/09	\$ 780,436	\$ 353,590		\$ 426,846
ROD 1-Boiler Replacements	04/30/09	1,522,570	1,080,301		442,269
Security Surveillance Upgrades at All Four Schools	06/03/14	310,000		\$ 19,783	290,217
Window Replacement at Readington Middle School	06/03/14	375,000	18,989	244,880	111,131
Roof Replacement at Three Bridges and Whitehouse Elementary Schools	06/03/14	1,145,000	58,712	928,464	157,824
		<u>\$ 4,133,006</u>	<u>\$ 1,511,592</u>	<u>\$ 1,193,127</u>	<u>\$ 1,428,287</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Expenditures and Other Financing Uses:	
Legal Services	\$ 314
Purchased Professional & Technical Services	44,699
Construction Services	1,148,114
	<u>1,193,127</u>
Change in Fund Balance	(1,193,127)
Fund Balance-Beginning	<u>2,621,414</u>
Fund Balance-Ending	<u>\$ 1,428,287</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 1,428,287
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	649,767
Budgetary Basis (Schedule K-4)	<u>(873,436)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 1,204,618</u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ -
Adjustment to GAAP Basis	<u>477,251</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 477,251</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
ROD 1 PROJECT-HVAC UPGRADES AT THREE BRIDGES AND WHITEHOUSE
ELEMENTARY AND READINGTON MIDDLE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 639,000		\$ 639,000	\$ 639,000
State Sources-SDA Grant	141,436		141,436	141,436
Total Revenues	<u>780,483</u>	<u>\$ -</u>	<u>780,436</u>	<u>780,436</u>
Expenditures and Other Financing Uses:				
Legal Services				8,695
Purchased Professional & Technical Services	66,461		66,461	95,915
Construction Services	287,129		287,129	675,826
Total Expenditures	<u>353,590</u>	<u>-</u>	<u>353,590</u>	<u>780,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 426,893</u>	<u>\$ -</u>	<u>\$ 426,846</u>	<u>\$ -</u>

Additional Project Information

Project Number	4350-050-09-1001
Project Number	4350-060-09-1003
Project Number	4350-070-09-1004
Grant Date	04/30/09
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,065,000
Additional Authorized Cost	\$ (284,564)
Revised Authorized Cost	\$ 780,436
Percentage Completion	45%

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
ROD 1 PROJECT-BOILER REPLACEMENT AT WHITEHOUSE
ELEMENTARY AND READINGTON MIDDLE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,089,000		\$ 1,089,000	\$ 1,089,000
State Sources-SDA Grant	433,570		433,570	433,570
Total Revenues	<u>1,522,570</u>	<u>\$ -</u>	<u>1,522,570</u>	<u>1,522,570</u>
Expenditures and Other Financing Uses:				
Legal Services	6,038		6,038	14,688
Purchased Professional & Technical Services	169,562		169,562	225,982
Construction Services	904,701		904,701	1,281,900
Total Expenditures	<u>1,080,301</u>	<u>-</u>	<u>1,080,301</u>	<u>1,522,570</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 442,269</u>	<u>\$ -</u>	<u>\$ 442,269</u>	<u>\$ -</u>

Additional Project Information

Project Number	4350-050-09-1002
Project Number	4350-070-09-1005
Grant Date	04/30/09
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,815,000
Additional Authorized Cost	\$ (292,430)
Revised Authorized Cost	\$ 1,522,570
Percentage Completion	71%

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
SECURITY SURVEILLANCE UPGRADES
AT ALL FOUR SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 186,000		\$ 186,000	\$ 186,000
State Sources-SDA Grant	124,000		124,000	124,000
Total Revenues	310,000	\$ -	310,000	310,000
Expenditures and Other Financing Uses:				
Legal Services				24,974
Purchased Professional & Technical Services		19,783	19,783	23,648
Construction Services				261,378
Total Expenditures	-	19,783	19,783	310,000
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ 310,000	\$ (19,783)	\$ 290,217	\$ -

Additional Project Information

Project Number	4350-030-14-1005
Project Number	4350-050-14-1006
Project Number	4350-060-14-1007
Project Number	4350-070-14-1008
Grant Date	06/03/14
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 310,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 310,000
Percentage Completion	6%

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
PHASE 2 OF WINDOW REPLACEMENT
AT READINGTON MIDDLE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 225,000		\$ 225,000	\$ 225,000
State Sources-SDA Grant	150,000		150,000	150,000
Total Revenues	<u>375,000</u>	<u>\$ -</u>	<u>375,000</u>	<u>375,000</u>
Expenditures and Other Financing Uses:				
Legal Services	1,106		1,106	10,000
Purchased Professional & Technical Services	17,883	5,880	23,763	65,000
Construction Services		239,000	239,000	300,000
Total Expenditures	<u>18,989</u>	<u>244,880</u>	<u>263,869</u>	<u>375,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 356,011</u>	<u>\$ (244,880)</u>	<u>\$ 111,131</u>	<u>\$ -</u>

Additional Project Information

Project Number	4350-050-13-3002
Grant Date	06/03/14
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 375,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 375,000
Percentage Completion	70%

READINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS-BUDGETARY BASIS
ROOF REPLACEMENT AT THREE BRIDGES ELEMENTARY
AND WHITEHOUSE ELEMENTARY SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 687,000		\$ 687,000	\$ 687,000
State Sources-SDA Grant	458,000		458,000	458,000
Total Revenues	<u>1,145,000</u>	<u>\$ -</u>	<u>1,145,000</u>	<u>1,145,000</u>
Expenditures and Other Financing Uses:				
Legal Services	1,012	314	1,326	14,530
Purchased Professional & Technical Services	57,700	19,036	76,736	89,870
Construction Services		909,114	909,114	1,040,600
Total Expenditures	<u>58,712</u>	<u>928,464</u>	<u>987,176</u>	<u>1,145,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,086,288</u>	<u>\$ (928,464)</u>	<u>\$ 157,824</u>	<u>\$ -</u>

Additional Project Information

Project Number	4350-060-13-3003
Project Number	4350-070-13-3004
Grant Date	06/03/14
Bonds Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,145,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,145,000
Percentage Completion	86%

PROPRIETARY FUND

DETAIL STATEMENTS

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

READINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2015

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 94,031	\$ 16,296	\$ 6,126	\$ 116,453
Due from Other Funds	28,493			28,493
Receivables from Other Governments:				
State	536			536
Federal	6,902			6,902
Inventory	5,438			5,438
Total Current Assets	<u>135,400</u>	<u>16,296</u>	<u>6,126</u>	<u>157,822</u>
Noncurrent Assets:				
Capital Assets	151,333			151,333
Less: Accumulated Depreciation	116,354			116,354
Total Noncurrent Assets	<u>34,979</u>	<u>-</u>	<u>-</u>	<u>34,979</u>
Total Assets	<u>170,379</u>	<u>16,296</u>	<u>6,126</u>	<u>192,801</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	28,756	385		29,141
Unearned Revenues	23,032	14,540	5,330	42,902
Total Liabilities	<u>51,788</u>	<u>14,925</u>	<u>5,330</u>	<u>72,043</u>
NET POSITION				
Net Investment in Capital Assets	34,979			34,979
Unrestricted	83,612	1,371	796	85,779
TOTAL NET POSITION	<u>\$ 118,591</u>	<u>\$ 1,371</u>	<u>\$ 796</u>	<u>\$ 120,758</u>

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

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
Operating Revenues:				
Charges for Services:				
Daily Sales-Reimbursable Programs	\$ 249,901			\$ 249,901
Daily Sales-Nonreimbursable Programs	168,102			168,102
Summer Program Fees		\$ 12,885	\$ 7,465	20,350
Total Operating Revenues	418,003	12,885	7,465	438,353
Operating Expenses:				
Costs of Sales-Reimbursable Programs	168,655			168,655
Costs of Sales-Nonreimbursable Programs	95,399			95,399
Salaries	221,316	9,850	9,440	240,606
Employee Benefits	46,716	822	789	48,327
Purchased Technical Services	1,798			1,798
Purchased Property Services	8,025			8,025
Insurance	2,861			2,861
Management Fee	11,008			11,008
Other Purchased Services	5,920			5,920
General Supplies	527			527
Depreciation	5,011			5,011
Miscellaneous	615			615
Total Operating Expenses	567,851	10,672	10,229	588,752
Operating Income (Loss)	(149,848)	2,213	(2,764)	(150,399)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	4,875			4,875
Federal Sources:				
National School Lunch Program:				
Cash Assistance	81,616			81,616
Noncash Assistance (Commodities)	26,835			26,835
Miscellaneous	167			167
Interest	527			527
Total Nonoperating Revenues (Expenses)	114,020	-	-	114,020
Other Financing Sources (Uses):				
Transfers In (Out)	-	(2,700)	2,700	-
Change in Net Position	(35,828)	(487)	(64)	(36,379)
Net Position, Beginning	154,419	1,858	860	157,137
Net Position, Ending	\$ 118,591	\$ 1,371	\$ 796	\$ 120,758

READINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund	Summer Enrichment Fund	Summer Sports Camps Fund	Total
Cash Flows from Operating Activities:				
Receipts from Customers (Net)	\$ 420,937	\$ 16,260	\$ 6,235	\$ 443,432
Payments to Employees	(75,186)	(9,850)	(9,440)	(94,476)
Payments for Employee Benefits	(6,278)	(822)	(789)	(7,889)
Payments to Food Service Management Company	(416,246)			(416,246)
Payments to Vendors (Net)	(10,723)	(689)	(130)	(11,542)
Net Cash Provided by (Used for) Operating Activities	<u>(87,496)</u>	<u>4,899</u>	<u>(4,124)</u>	<u>(86,721)</u>
Cash Flows from Noncapital Financing Activities:				
State Sources	4,894			4,894
Federal Sources	79,953			79,953
General Fund Interfund Activity	(19,593)			(19,593)
Transfers between funds		(2,700)	2,700	
Miscellaneous	167			167
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>65,421</u>	<u>(2,700)</u>	<u>2,700</u>	<u>65,421</u>
Cash Flows from Investing Activities:				
Interest Earned on Investments	527	-	-	527
Net Increase (Decrease) in Cash and Cash Equivalents	(21,548)	2,199	(1,424)	(20,773)
Cash and Cash Equivalents, July 1	<u>115,579</u>	<u>14,097</u>	<u>7,550</u>	<u>137,226</u>
Cash and Cash Equivalents, June 30	<u>\$ 94,031</u>	<u>\$ 16,296</u>	<u>\$ 6,126</u>	<u>\$ 116,453</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (149,848)	\$ 2,213	\$ (2,764)	\$ (150,399)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	5,011			5,011
Federal Food Donation Program	26,835			26,835
(Increase) Decrease in Inventory	804			804
Increase (Decrease) in Accounts Payable	28,384	(304)	(130)	27,950
Increase (Decrease) in Unearned Revenue	1,318	2,990	(1,230)	3,078
Net Cash Provided by (Used for) Operating Activities	<u>\$ (87,496)</u>	<u>\$ 4,899</u>	<u>\$ (4,124)</u>	<u>\$ (86,721)</u>

FIDUCIARY FUND

DETAIL STATEMENTS

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

READINGTON TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	Student Activity Agency Fund	Private Purpose Scholarship Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 60,101	\$ 16,817	\$ 297,741	\$ 357,842
TOTAL ASSETS	<u>60,101</u>	<u>16,817</u>	<u>297,741</u>	<u>357,842</u>
LIABILITIES				
Due to Student Groups	60,101			60,101
Accumulated Interest			2	2
Payroll Deductions & Withholdings			297,739	297,739
TOTAL LIABILITIES	<u>60,101</u>	<u>-</u>	<u>297,741</u>	<u>357,842</u>
NET POSITION				
Reserve for Scholarship Funds	<u>\$ -</u>	<u>\$ 16,817</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Private Purpose Scholarship Fund
ADDITIONS	
Contributions:	
Other	\$ 16,817
Total Additions	<u>16,817</u>
Change in Net Position	16,817
Net Position, Beginning of the Year	<u>-</u>
Net Position, End of the Year	<u><u>\$ 16,817</u></u>

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

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 51,620	\$ 141,067	\$ 132,586	\$ 60,101
TOTAL ASSETS	<u>\$ 51,620</u>	<u>\$ 141,067</u>	<u>\$ 132,586</u>	<u>\$ 60,101</u>
LIABILITIES				
Due to Student Groups:				
Holland Brook School	\$ 19,388	\$ 48,221	\$ 48,163	\$ 19,446
Readington Middle School	18,957	67,571	62,070	24,458
Three Bridges School	5,691	10,387	9,342	6,736
Whitehouse School	<u>7,584</u>	<u>14,888</u>	<u>13,011</u>	<u>9,461</u>
TOTAL LIABILITIES	<u>\$ 51,620</u>	<u>\$ 141,067</u>	<u>\$ 132,586</u>	<u>\$ 60,101</u>

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

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 267,284	\$ 20,216,998	\$ 20,186,541	\$ 297,741
TOTAL ASSETS	<u>\$ 267,284</u>	<u>\$ 20,216,998</u>	<u>\$ 20,186,541</u>	<u>\$ 297,741</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 267,282	\$ 8,885,363	\$ 8,854,906	\$ 297,739
Accumulated Interest	2			2
Net Payroll		11,331,635	11,331,635	
TOTAL LIABILITIES	<u>\$ 267,284</u>	<u>\$ 20,216,998</u>	<u>\$ 20,186,541</u>	<u>\$ 297,741</u>

LONG-TERM DEBT SCHEDULES

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

READINGTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount					
Refunding School Bonds of 2006	12/14/06	\$ 10,000,000	07/15/15-		4.00%				
			07/15/17	\$ 35,000					
			07/15/18	40,000					
			07/15/19	780,000					
			07/15/20	1,095,000					
			07/15/21	1,135,000					
			07/15/22	1,190,000					
			07/15/23	1,240,000					
			07/15/24	1,295,000					
			07/15/25	1,355,000					
			07/15/26	1,355,000		\$ 9,620,000		\$ 30,000	\$ 9,590,000
Refunding School Bonds of 2010	11/24/10	5,415,000	07/15/15	570,000	3.00%				
				250,000	4.00%				
			07/15/16	850,000	3.00%				
			07/15/17	535,000	4.00%				
				350,000	4.50%				
			07/15/18	775,000	4.00%				
				160,000	5.00%				
			07/15/19	235,000	3.50%	4,515,000		790,000	3,725,000
Refunding School Bonds of 2013	10/09/13	7,905,000	01/01/16	515,000	3.00%				
			01/01/17	525,000	3.00%				
			01/01/18	540,000	3.63%				
			01/01/19	560,000	3.87%				
			01/01/20	580,000	4.00%				
			01/01/21	605,000	3.00%				
			01/01/22	625,000	3.00%				
			01/01/23	640,000	3.00%				
			01/01/24	660,000	3.13%				
			01/01/25	685,000	3.25%				
			01/01/26	700,000	3.38%				
			01/01/27	725,000	3.50%	7,855,000		495,000	7,360,000
Totals						\$ 21,990,000	\$ -	\$ 1,315,000	\$ 20,675,000

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

(NOT APPLICABLE TO THIS REPORT)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,098,623		\$ 2,098,623	\$ 2,098,623	
State Sources:					
Debt Service Aid State Support	6,494		6,494	6,494	
Total Revenues	<u>2,105,117</u>	<u>\$ -</u>	<u>2,105,117</u>	<u>2,105,117</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds & NJ EDA Loans	790,138		790,138	790,138	
Redemption of Principal-Bonds & NJ EDA Loans	<u>1,315,000</u>		<u>1,315,000</u>	<u>1,315,000</u>	
Total Expenditures	<u>2,105,138</u>	<u>-</u>	<u>2,105,138</u>	<u>2,105,138</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21)	-	(21)	(21)	-
Fund Balance, July 1	<u>75,779</u>	<u>-</u>	<u>75,779</u>	<u>75,779</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 75,758</u>	<u>\$ -</u>	<u>\$ 75,758</u>	<u>\$ 75,758</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses:					
Budgeted Fund Balance	<u>\$ (21)</u>	<u>\$ -</u>	<u>\$ (21)</u>	<u>\$ (21)</u>	<u>\$ -</u>

STATISTICAL SECTION

READINGTON TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

READINGTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 14,030,277	\$ 14,039,908	\$ 15,381,288	\$ 18,148,935	\$ 18,354,636	\$ 19,168,645	\$ 18,823,939	\$ 18,900,825	\$ 19,567,989	\$ 21,148,418
Restricted	1,123,465	1,932,049	4,321,509	2,879,577	3,630,236	3,279,636	4,509,014	5,271,205	4,940,642	4,899,507
Unrestricted	930,872	3,314,361	1,126,691	1,415,899	965,065	725,876	1,123,822	784,125	(7,028,548)	(7,173,776)
TOTAL GOVERNMENTAL ACTIVITIES										
NET POSITION	<u>\$ 16,084,614</u>	<u>\$ 19,286,318</u>	<u>\$ 20,829,488</u>	<u>\$ 22,444,411</u>	<u>\$ 22,949,937</u>	<u>\$ 23,174,157</u>	<u>\$ 24,456,775</u>	<u>\$ 24,956,155</u>	<u>\$ 17,480,083</u>	<u>\$ 18,874,149</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 35,764	\$ 29,571	\$ 23,378	\$ 29,764	\$ 37,872	\$ 30,263	\$ 43,297	\$ 45,550	\$ 39,990	\$ 34,979
Unrestricted	201,694	234,823	263,393	284,554	252,121	284,185	253,785	200,899	117,147	85,779
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 237,458</u>	<u>\$ 264,394</u>	<u>\$ 286,771</u>	<u>\$ 314,318</u>	<u>\$ 289,993</u>	<u>\$ 314,448</u>	<u>\$ 297,082</u>	<u>\$ 246,449</u>	<u>\$ 157,137</u>	<u>\$ 120,758</u>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 14,066,041	\$ 14,069,479	\$ 15,404,666	\$ 18,178,699	\$ 18,392,508	\$ 19,198,908	\$ 18,867,236	\$ 18,946,375	\$ 19,607,979	\$ 21,183,397
Restricted	1,123,465	1,932,049	4,321,509	2,879,577	3,630,236	3,279,636	4,509,014	5,271,205	4,940,642	4,899,507
Unrestricted	1,132,566	3,549,184	1,390,084	1,700,453	1,217,186	1,010,061	1,377,607	985,024	(6,911,401)	(7,087,997)
TOTAL DISTRICT-WIDE	<u>\$ 16,322,072</u>	<u>\$ 19,550,712</u>	<u>\$ 21,116,259</u>	<u>\$ 22,758,729</u>	<u>\$ 23,239,930</u>	<u>\$ 23,488,605</u>	<u>\$ 24,753,857</u>	<u>\$ 25,202,604</u>	<u>\$ 17,637,220</u>	<u>\$ 18,994,907</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 12,923,094	\$ 13,675,467	\$ 13,510,602	\$ 13,190,998	\$ 13,370,985	\$ 12,978,633	\$ 12,797,258	\$ 13,434,484	\$ 12,639,720	\$ 14,792,796
Special Education	3,281,165	3,234,525	3,834,363	3,869,467	3,990,987	4,256,991	4,357,246	4,600,346	4,492,434	5,374,421
Other Special Education	1,135,955	708,048	822,782	1,068,158	1,138,559	1,218,113	1,233,805	1,160,214	1,178,118	1,354,506
Other Instruction	245,359	201,116	243,486	300,984	288,351	307,976	367,467	369,819	384,880	381,331
Support Services:										
Tuition	596,012	689,358	794,673	533,058	553,980	724,867	495,464	614,482	708,273	787,923
Student & Instruction Related Services	3,813,832	4,225,803	4,629,712	4,817,680	5,135,703	4,595,912	4,841,487	5,015,386	5,129,190	6,189,717
General & Business Administrative Services	1,382,099	1,773,338	1,709,839	1,690,800	1,731,386	1,714,006	1,786,567	1,351,217	1,647,645	1,621,382
School Administration	1,613,554	1,583,155	1,611,821	1,544,345	1,694,551	1,635,008	1,654,804	1,725,208	1,690,141	1,964,952
Plant Operations & Maintenance	2,795,990	2,917,148	3,045,023	3,134,763	3,201,640	2,492,943	2,360,481	2,450,613	2,556,242	2,413,523
Pupil Transportation	1,876,084	1,945,539	2,364,779	2,413,981	2,163,025	2,124,628	1,947,401	2,035,908	2,054,985	1,714,418
Special Schools					16,072					
Transfer to Charter Schools	8,305	17,563								
Interest on Long Term Debt	1,351,924	1,100,234	1,233,751	1,222,922	1,147,982	1,062,815	1,047,243	1,014,502	809,984	842,475
Total Governmental Activities Expenses	<u>31,023,373</u>	<u>32,071,294</u>	<u>33,800,831</u>	<u>33,787,156</u>	<u>34,433,221</u>	<u>33,111,892</u>	<u>32,889,223</u>	<u>33,772,179</u>	<u>33,291,612</u>	<u>37,437,444</u>
Business-Type Activities:										
Food Services	596,617	654,574	652,762	661,060	686,536	649,107	657,727	613,691	583,311	567,851
Summer Programs			35,590	30,352	24,341	21,617	27,067	29,760	23,962	20,901
Total Business-Type Activities	<u>596,617</u>	<u>654,574</u>	<u>688,352</u>	<u>691,412</u>	<u>710,877</u>	<u>670,724</u>	<u>684,794</u>	<u>643,451</u>	<u>607,273</u>	<u>588,752</u>
TOTAL DISTRICT EXPENSES	<u>\$ 31,619,990</u>	<u>\$ 32,725,868</u>	<u>\$ 34,489,183</u>	<u>\$ 34,478,568</u>	<u>\$ 35,144,098</u>	<u>\$ 33,782,616</u>	<u>\$ 33,574,017</u>	<u>\$ 34,415,630</u>	<u>\$ 33,898,885</u>	<u>\$ 38,026,196</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 264		\$ 13,983	\$ 13,782	\$ 23,050	\$ 21,257	\$ 30,187	\$ 22,832	\$ 54,359	\$ 76,222
Special Education Instruction							22,418	50,263	99,573	43,193
Student & Instructional Related Services	84		398	157	474	40				
General & Business Administrative Services	27	\$ 9	41	4,656	2,851	50,000	50,000	30,000	116,750	117,918
Plant Operations & Maintenance	50,283	77,373	57,963	52,317	56,113	52,756	48,598	63,965	76,285	54,191
Pupil Transportation	30,048	19,561	23,775	28,920	33,197	5,985	21,028	25,160	4,285	31,794
Operating Grants & Contributions	199,829	542,850	802,395	544,617	703,907	681,329	500,139	535,302	507,168	564,735
Capital Grants & Contributions	767,539			230,036	263,681	265,594	43,716		32,530	477,251
Total Governmental Activities Program Revenues	<u>1,048,074</u>	<u>639,793</u>	<u>898,555</u>	<u>874,485</u>	<u>1,083,273</u>	<u>1,076,961</u>	<u>716,086</u>	<u>727,522</u>	<u>890,950</u>	<u>1,365,304</u>
Business-Type Activities:										
Charges for Services:										
Food Service	523,850	585,096	568,271	581,848	555,039	563,547	527,490	461,034	397,259	418,003
Summer Programs			40,042	33,350	24,650	21,220	23,935	27,618	21,225	20,350
Operating Grants & Contributions	97,330	96,414	99,913	96,710	105,648	109,288	113,827	103,253	98,764	113,326
Total Business-Type Activities Program Revenues	<u>621,180</u>	<u>681,510</u>	<u>708,226</u>	<u>711,908</u>	<u>685,337</u>	<u>694,055</u>	<u>665,252</u>	<u>591,905</u>	<u>517,248</u>	<u>551,679</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 1,669,254</u>	<u>\$ 1,321,303</u>	<u>\$ 1,606,781</u>	<u>\$ 1,586,393</u>	<u>\$ 1,768,610</u>	<u>\$ 1,771,016</u>	<u>\$ 1,381,338</u>	<u>\$ 1,319,427</u>	<u>\$ 1,408,198</u>	<u>\$ 1,916,983</u>
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (29,975,299)	\$ (31,431,501)	\$ (32,902,276)	\$ (32,912,671)	\$ (33,349,948)	\$ (32,034,931)	\$ (32,173,137)	\$ (33,044,657)	\$ (32,400,662)	\$ (36,072,140)
Business-Type Activities	24,563	26,936	19,874	20,496	(25,540)	23,331	(19,542)	(51,546)	(90,025)	(37,073)
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (29,950,736)</u>	<u>\$ (31,404,565)</u>	<u>\$ (32,882,402)</u>	<u>\$ (32,892,175)</u>	<u>\$ (33,375,488)</u>	<u>\$ (32,011,600)</u>	<u>\$ (32,192,679)</u>	<u>\$ (33,096,203)</u>	<u>\$ (32,490,687)</u>	<u>\$ (36,109,213)</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER										
CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 24,785,591	\$ 27,923,891	\$ 27,023,340	\$ 28,085,596	\$ 27,038,539	\$ 27,703,081	\$ 27,426,050	\$ 26,586,701	\$ 26,582,012	\$ 26,582,012
Property Taxes Levied for Debt Service	2,108,750	2,112,486	2,000,212	2,103,521	2,118,903	1,889,894	2,183,349	2,194,238	2,182,408	2,098,623
Unrestricted Grants & Contributions	3,901,630	4,857,784	5,092,380	4,219,457	4,617,847	2,995,051	3,660,562	4,560,512	4,157,942	8,644,779
Tuition Received										
Investment Earnings	204,263	257,320	258,834	86,279	28,904	25,829	51,050	30,540	31,822	30,984
Miscellaneous Income	24,063	25,032	72,558	26,253	30,116	89,905	117,490	144,537	136,924	109,808
Special Item-Proceeds from Insurance Claim								25,448		
Special Item-Prior Period Adjustment										
Special Item-Payment to Refunding Bond Agent		(546,679)				(444,609)				
Special Item-Gain (Loss) on Disposition of Assets	10,000	3,371	(1,878)	6,488	21,165		17,254	2,061	6,565	
Total Governmental Activities	<u>31,034,297</u>	<u>34,633,205</u>	<u>34,445,446</u>	<u>34,527,594</u>	<u>33,855,474</u>	<u>32,259,151</u>	<u>33,455,755</u>	<u>33,544,037</u>	<u>33,097,673</u>	<u>37,466,206</u>
Business-Type Activities:										
Investment Earnings			2,503	2,384	1,102	1,045	2,176	913	707	527
Miscellaneous Income	476			4,667	113	79			6	167
Total Business-Type Activities	<u>476</u>	<u>-</u>	<u>2,503</u>	<u>7,051</u>	<u>1,215</u>	<u>1,124</u>	<u>2,176</u>	<u>913</u>	<u>713</u>	<u>694</u>
TOTAL DISTRICT-WIDE	<u>\$ 31,034,773</u>	<u>\$ 34,633,205</u>	<u>\$ 34,447,949</u>	<u>\$ 34,534,645</u>	<u>\$ 33,856,689</u>	<u>\$ 32,260,275</u>	<u>\$ 33,457,931</u>	<u>\$ 33,544,950</u>	<u>\$ 33,098,386</u>	<u>\$ 37,466,900</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 1,058,998	\$ 3,201,704	\$ 1,543,170	\$ 1,614,923	\$ 505,526	\$ 224,220	\$ 1,282,618	\$ 499,380	\$ 697,011	\$ 1,394,066
Business-Type Activities	25,039	26,936	22,377	27,547	(24,325)	24,455	(17,366)	(50,633)	(89,312)	(36,379)
TOTAL DISTRICT	<u>\$ 1,084,037</u>	<u>\$ 3,228,640</u>	<u>\$ 1,565,547</u>	<u>\$ 1,642,470</u>	<u>\$ 481,201</u>	<u>\$ 248,675</u>	<u>\$ 1,265,252</u>	<u>\$ 448,747</u>	<u>\$ 607,699</u>	<u>\$ 1,357,687</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 47,764	\$ 404,863	\$ 926,910	\$ 1,139,005	\$ 1,215,750	\$ 1,295,601	\$ 1,342,586	\$ 1,395,931	\$ 1,459,832	\$ 1,606,546
Committed	222,989	252,388	2,991,100	2,452,968	1,011,553	1,701,127	3,592,253	4,390,276	2,944,369	3,619,131
Assigned	1,536,413	3,481,370	930,692	1,059,129	536,084	267,295	953,701	408,754	556,671	182,693
Unassigned	546,906	562,188	583,882	517,470	464,788	647,356	445,833	446,835	582,415	606,312
Total General Fund	<u>\$ 2,354,072</u>	<u>\$ 4,700,809</u>	<u>\$ 5,432,584</u>	<u>\$ 5,168,572</u>	<u>\$ 3,228,175</u>	<u>\$ 3,911,379</u>	<u>\$ 6,334,373</u>	<u>\$ 6,641,796</u>	<u>\$ 5,543,287</u>	<u>\$ 6,014,682</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 1,274,698	\$ 1,667,156	\$ 1,331,766	\$ 436,505	\$ 2,628,165	\$ 1,585,938	\$ 901,465	\$ 867,665	\$ 1,920,494	\$ 1,204,618
Assigned, Reported In:										
Debt Service Fund	27,919	139,471	8,580	41	455	2,508	15,296	13,264	75,779	75,758
Total All Other Governmental Funds	<u>\$ 1,302,617</u>	<u>\$ 1,806,627</u>	<u>\$ 1,340,346</u>	<u>\$ 436,546</u>	<u>\$ 2,628,620</u>	<u>\$ 1,588,446</u>	<u>\$ 916,761</u>	<u>\$ 880,929</u>	<u>\$ 1,996,273</u>	<u>\$ 1,280,376</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 26,894,341	\$ 30,036,377	\$ 29,023,552	\$ 30,189,117	\$ 29,157,442	\$ 29,592,975	\$ 29,609,399	\$ 28,780,939	\$ 28,764,420	\$ 28,680,635
Tuition Charges			8,921	13,650	23,050	21,104	52,605	70,290	153,932	119,415
Transportation Fees	26,623	18,266	23,327	28,920	32,058	2,340	3,240	3,976	2,740	30,651
Interest Earnings	204,263	257,320	258,834	86,279	28,904	25,829	51,050	30,540	31,822	30,984
Miscellaneous	55,215	94,081	70,373	89,887	110,723	107,123	105,781	143,231	128,390	127,875
State Sources	3,905,166	4,879,757	5,101,579	4,222,290	4,618,592	2,996,620	3,596,796	4,562,436	4,157,942	4,666,750
State Sources-Capital Projects	767,539			230,036	263,681	265,594	43,716		32,530	477,251
Federal Sources	179,786	518,436	778,437	519,609	667,274	666,366	550,742	519,018	506,572	515,143
Total Revenues	32,032,933	35,804,237	35,265,023	35,379,788	34,901,724	33,677,951	34,013,329	34,110,430	33,778,348	34,648,704
Expenditures:										
Instruction:										
Regular Instruction	9,840,839	9,961,869	9,619,521	9,717,006	9,473,762	9,197,202	8,923,049	9,248,836	8,865,777	8,561,728
Special Education Instruction	2,422,178	2,302,977	2,552,239	2,752,680	2,753,078	2,837,376	2,935,415	3,077,130	3,060,710	3,149,810
Other Special Instruction	835,782	501,983	572,837	752,258	799,152	836,210	834,278	757,010	771,403	728,214
School Sponsored/Other Instructional	193,233	158,377	187,533	229,070	210,693	219,503	257,875	262,570	275,295	265,499
Support Services:										
Tuition	538,846	404,181	388,057	112,998	22,972	342,118	186,502	205,805	347,447	435,836
Student & Instruction Related Services	2,884,706	2,952,976	3,259,066	3,520,906	3,655,341	3,253,594	3,390,964	3,451,729	3,566,545	3,682,757
General Administration	683,553	860,907	688,095	679,115	644,047	681,554	610,822	537,283	587,730	538,087
School Administration Services	1,237,748	1,135,626	1,130,523	1,181,275	1,208,303	1,142,257	1,173,417	1,217,813	1,169,356	1,179,916
Central Services	359,071	445,378	458,036	472,596	456,892	447,153	454,006	418,120	432,803	439,609
Administrative Information Technology	103,281	131,882	179,676	184,359	192,899	141,994	63,445	30,307	72,272	70,358
Plant Operations & Maintenance	2,451,734	2,572,666	2,688,078	2,748,294	2,750,409	2,208,103	2,071,894	2,178,294	2,300,029	2,133,862
Pupil Transportation	1,693,658	1,736,452	1,908,135	1,927,922	1,941,299	1,901,384	1,716,881	1,818,183	1,867,199	1,252,666
Employee Benefits	3,837,604	3,769,832	4,010,776	4,269,281	4,892,720	4,601,797	4,474,216	4,452,886	4,429,031	5,055,633
On-Behalf TPAF Pension & Social Security Contribution	1,707,422	2,648,848	2,814,709	2,001,933	2,024,497	2,053,485	2,394,144	3,081,345	2,571,355	2,975,277
Capital Outlay	410,427	456,517	1,365,238	487,562	320,360	80,839	18,521	288,060	661,251	493,343
Special Schools					16,072					
Transfers to Charter Schools	8,305	17,563								
Special Revenue Funds	199,829	542,850	802,395	544,617	703,907	681,329	500,139	535,302	507,168	564,735
Capital Projects Fund	750,502	351,721	335,390	2,853,297	436,021	1,211,976	37,037	33,800	176,406	1,193,127
Debt Service:										
Principal	774,561	1,000,330	901,130	916,977	3,326,837	1,163,763	1,164,737	1,230,786	1,331,887	1,315,000
Interest & Other Charges	1,369,052	1,143,202	1,238,126	1,203,254	1,215,112	1,107,132	1,071,932	1,041,089	873,119	857,949
Total Expenditures	32,302,331	33,096,137	35,099,560	36,555,400	37,044,373	34,108,769	32,279,274	33,866,348	33,866,783	34,893,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269,398)	2,708,100	165,463	(1,175,612)	(2,142,649)	(430,818)	1,734,055	244,082	(88,435)	(244,502)
Other Financing Sources (Uses):										
Deposit on Sale of Bonds										
Proceeds from Bond Issue & Refunding Bond Issue		10,000,000				5,415,000			7,905,000	
Premium on Bond Issue		22,326				458,457			279,024	
Temporary Notes Financed in Debt Service Fund					2,364,000					
Payments to Refunding Bond Escrow Agent		(9,902,679)				(5,799,609)			(8,085,319)	
Proceeds from Disposition of Capital Assets	10,000	23,000	54,000	7,800	30,326		17,254	2,061	6,565	
Proceeds from Sale or Trade In of Supplies			46,031							
Insurance Claim Proceeds for Flooding Damage								25,448		
Total Other Financing Sources (Uses)	10,000	142,647	100,031	7,800	2,394,326	73,848	17,254	27,509	105,270	-
Net Change in Fund Balances	\$ (259,398)	\$ 2,850,747	\$ 265,494	\$ (1,167,812)	\$ 251,677	\$ (356,970)	\$ 1,751,309	\$ 271,591	\$ 16,835	\$ (244,502)
Debt Service as a Percentage of Noncapital Expenditures	7.39%	7.11%	6.84%	6.82%	14.31%	7.43%	7.46%	7.26%	7.15%	7.00%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects fund and debt service.

READINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 187,331	\$ 243,749	\$ 250,932	\$ 85,644	\$ 28,449	\$ 25,708	\$ 51,050	\$ 25,829	\$ 31,822	\$ 30,984
Tuition			8,921	13,650	23,050	21,104	52,605	21,104	153,932	119,415
Transportation Fees	26,623	18,266	23,327	28,920	32,058	2,340	3,240	2,340	2,740	30,651
Building Use Rental Income	24,860	77,373	40,351	47,948	53,224	46,821	39,495	48,701	51,842	43,863
Prior Year Refunds	8,700	7,805	11,102	11,305	149	765	7,875	2,738	14,616	
Bid Spec Fees				4,600	2,800					
Insurance Claims					338					
Insurance Refunds/Rebates	3,645				15,037					
Fines	1,259	1,257								
Recycling Proceeds					1,225					
Sale of Surplus Supplies								4,873		247
Donations				3,136				26,000		
Prior Year Outstanding Checks Canceled			3,578	300	562	3,112	35	19	57	
Prior Year Accounts Payable Canceled					690					
E-Rate Telephone Rebates						43,026	42,498	46,520	43,878	33,948
Miscellaneous:										
Account Balances Canceled				68			215			
Refunds	80		255	135			2,500			
Other	76	205	328	220	810	5			7,857	25
Annual Totals	<u>\$ 252,574</u>	<u>\$ 348,655</u>	<u>\$ 338,794</u>	<u>\$ 195,926</u>	<u>\$ 158,392</u>	<u>\$ 142,881</u>	<u>\$ 199,513</u>	<u>\$ 178,124</u>	<u>\$ 306,744</u>	<u>\$ 259,133</u>

Source: District Records

READINGTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 40,094,700	\$ 36,031,500	\$ 34,914,260	\$ 33,696,200	\$ 34,795,800	\$ 27,970,300	\$ 25,304,300	\$ 35,670,602	\$ 36,540,300	\$ 35,541,000
Residential	2,123,314,500	2,137,249,000	2,151,444,900	2,154,643,100	2,172,275,700	2,075,417,700	2,024,958,200	1,989,936,800	2,007,826,300	2,023,142,400
Farm Regular	135,322,600	134,808,000	138,461,600	141,413,100	140,856,600	136,828,300	137,991,300	133,364,572	128,271,821	126,445,100
Q Farm	4,782,575	4,665,174	4,627,500	4,636,337	4,277,344	4,132,562	4,197,992	4,171,297	4,235,707	4,213,574
Commercial	486,047,800	479,132,100	452,457,800	454,458,300	434,530,900	436,529,600	435,330,900	432,721,600	429,259,800	366,926,100
Industrial	21,709,500	21,709,500	50,137,700	51,437,700	49,100,200	52,183,200	51,523,000	51,486,800	51,486,800	51,486,800
Apartment	2,067,600	2,067,600	1,281,400	1,281,400	1,193,900	1,193,900	1,111,400	1,368,100	1,368,100	1,368,100
Total Assessed Value	2,813,339,275	2,815,662,874	2,833,325,160	2,841,566,137	2,837,030,444	2,734,255,562	2,680,417,092	2,648,719,771	2,658,988,828	2,609,123,074
Public Utilities (a)	5,336,048	5,248,369	4,927,162	4,171,952	4,581,241	6,296,043	4,845,327	4,355,257	4,447,256	257,705
Net Valuation Taxable	<u>\$ 2,818,675,323</u>	<u>\$ 2,820,911,243</u>	<u>\$ 2,838,252,322</u>	<u>\$ 2,845,738,089</u>	<u>\$ 2,841,611,685</u>	<u>\$ 2,740,551,605</u>	<u>\$ 2,685,262,419</u>	<u>\$ 2,653,075,028</u>	<u>\$ 2,663,436,084</u>	<u>\$ 2,609,380,779</u>
Estimated Actual County Equal. Value	<u>\$ 3,539,720,986</u>	<u>\$ 3,897,391,775</u>	<u>\$ 3,802,175,449</u>	<u>\$ 3,659,066,138</u>	<u>\$ 3,659,066,138</u>	<u>\$ 3,480,065,530</u>	<u>\$ 3,207,815,577</u>	<u>\$ 3,172,017,011</u>	<u>\$ 3,105,323,638</u>	<u>\$ 2,980,105,960</u>
Percentage of Net Valuation to Estimated Actual County Equalized Value	<u>79.63%</u>	<u>72.38%</u>	<u>74.65%</u>	<u>77.77%</u>	<u>77.66%</u>	<u>78.75%</u>	<u>83.71%</u>	<u>83.64%</u>	<u>85.77%</u>	<u>87.56%</u>
Total Direct School Tax Rate (b)	<u>\$ 1.01</u>	<u>\$ 1.05</u>	<u>\$ 1.04</u>	<u>\$ 1.04</u>	<u>\$ 1.04</u>	<u>\$ 1.08</u>	<u>\$ 1.09</u>	<u>\$ 1.09</u>	<u>\$ 1.08</u>	<u>\$ 1.10</u>

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipments of telephone and messenger system companies

(b) Tax rates are per \$100

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

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2006	\$ 0.94	\$ 0.07	\$ 1.01	\$ 0.57	\$ 0.35	\$ 0.45	\$ 2.38
2007	0.98	0.07	1.05	0.61	0.37	0.46	2.49
2008	0.97	0.07	1.04	0.63	0.40	0.45	2.52
2009	0.97	0.07	1.04	0.65	0.44	0.44	2.57
2010	0.97	0.07	1.04	0.68	0.45	0.43	2.60
2011	1.00	0.08	1.08	0.71	0.45	0.43	2.67
2012	1.01	0.08	1.09	0.69	0.47	0.42	2.67
2013	1.01	0.08	1.09	0.70	0.51	0.43	2.73
2014	1.00	0.08	1.08	0.69	0.52	0.43	2.72
2015	1.02	0.08	1.10	0.69	0.54	0.42	2.75

Sources: Municipal Tax Collector

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

READINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Merck & Co	\$ 153,452,000	1	5.88%	\$ 228,770,204	1	8.12%
Federal Insurance Co	55,507,800	2	2.13%	69,267,600	2	2.46%
Toll NJ I LLC	16,237,900	3	0.62%			
Lamington River Farms	12,304,000	4	0.47%	14,525,500	3	0.52%
Individual Property Owner #1	9,845,000	5	0.38%			
Transcontinental Gas Pipeline	8,274,600	6	0.32%	8,334,400	4	0.30%
Whitehouse Mall	6,587,400	7	0.25%	6,587,400	6	0.23%
Somerville Associates	5,700,000	8	0.22%	5,853,500	7	0.21%
Salem Realty II LLC	5,540,000	9	0.21%			
Bishop & Bishop Land Partnership	5,539,700	10	0.21%	5,539,700	8	0.20%
Stanton Golf Properties				7,483,100	5	0.27%
Individual Property Owner #2				5,500,000	9	0.20%
Fallone at Spring Meadows LLC				5,007,900	10	0.18%
	<u>\$ 278,988,400</u>		<u>10.69%</u>	<u>\$ 356,869,304</u>		<u>12.69%</u>

Source: Municipal Tax Assessor

READINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 62,467,903	\$ 61,819,952	98.96%
2006	67,449,810	66,498,988	98.59%
2007	70,631,965	69,586,821	98.52%
2008	72,004,045	70,898,947	98.47%
2009	73,577,354	72,475,977	98.50%
2010	74,377,407	73,315,883	98.57%
2011	73,420,299	72,519,236	98.77%
2012	71,821,194	70,769,184	98.54%
2013	72,657,276	71,689,623	98.67%
2014	72,644,899	71,788,251	98.82%

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 29,963,447					\$ 29,963,447	3.07%	\$ 1,856
2007	29,607,117					29,607,117	2.83%	1,837
2008	28,705,987					28,705,987	2.61%	1,783
2009	27,789,010			\$ 2,364,000		30,153,010	2.72%	1,868
2010	26,826,173					26,826,173	2.53%	1,659
2011	25,722,410					25,722,410	2.43%	1,595
2012	24,557,673					24,557,673	2.19%	1,526
2013	23,326,887					23,326,887	1.95%	1,450
2014	21,990,000					21,990,000	1.81%	1,369
2015	20,675,000					20,675,000	N/A	1,289

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General	Deductions	Net General		
	Obligation Bonds		Bonded Debt Outstanding		
2006	\$ 29,963,447		\$ 29,963,447	1.06%	\$ 1,856
2007	29,607,117		29,607,117	1.05%	1,837
2008	28,705,987		28,705,987	1.01%	1,783
2009	27,789,010		27,789,010	0.98%	1,722
2010	26,826,173		26,826,173	0.94%	1,659
2011	25,722,410		25,722,410	0.94%	1,595
2012	24,557,673		24,557,673	0.91%	1,526
2013	23,326,887		23,326,887	0.88%	1,450
2014	21,990,000		21,990,000	0.83%	1,369
2015	20,675,000		20,675,000	0.79%	1,289

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

READINGTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 57,457,380	100.00	\$ 57,457,380
Regional High School	14,870,000	34.17	5,080,496
County General Obligation Debt	70,347,424	14.86	10,452,476
Subtotal, Overlapping Debt			72,990,352
School District Direct Debt			21,170,000
Total Direct and Overlapping Debt			<u>\$ 94,160,352</u>

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

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis

2014	\$ 3,036,762,024
2013	3,088,165,758
2012	<u>3,204,707,188</u>
	<u>\$ 9,329,634,970</u>

Average Equalized Valuation of Taxable Property \$ 3,109,878,323

Debt Limit (3.0% of Average Equalization Value) \$ 93,296,350 (a)

Total Net Debt Applicable to Limit 20,675,000

Legal Debt Margin \$ 72,621,350

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 88,194,797	\$ 97,995,901	\$ 107,160,518	\$ 113,312,549	\$ 113,516,416	\$ 111,275,512	\$ 105,035,670	\$ 100,736,283	\$ 95,592,158	\$ 93,296,350
Total Net Debt Applicable	<u>30,730,986</u>	<u>30,285,245</u>	<u>31,748,115</u>	<u>30,849,138</u>	<u>27,504,301</u>	<u>26,400,538</u>	<u>24,557,673</u>	<u>23,326,887</u>	<u>21,990,000</u>	<u>20,675,000</u>
Legal Debt Margin	<u>\$ 57,463,811</u>	<u>\$ 67,710,656</u>	<u>\$ 75,412,403</u>	<u>\$ 82,463,411</u>	<u>\$ 86,012,115</u>	<u>\$ 84,874,974</u>	<u>\$ 80,477,997</u>	<u>\$ 77,409,396</u>	<u>\$ 73,602,158</u>	<u>\$ 72,621,350</u>
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	34.84%	30.90%	29.63%	27.22%	24.23%	23.73%	23.38%	23.16%	23.00%	22.16%

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2006	16,114	\$ 1,046,169,222	\$ 64,923	2.9%
2007	16,100	1,099,485,100	68,291	2.5%
2008	16,141	1,109,645,327	68,747	3.3%
2009	16,169	1,062,287,131	65,699	6.0%
2010	16,126	1,059,333,066	65,691	6.2%
2011	16,094	1,122,025,398	69,717	6.1%
2012	16,082	1,198,655,788	74,534	6.3%
2013	16,067	1,213,428,041	75,523	6.3%
2014	16,040	N/A	N/A	4.7%
2015	16,040	N/A	N/A	N/A

Sources:

- (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 personal income presented
- (c) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

READINGTON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

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

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

READINGTON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	155.0	158.0	158.6	134.5	135.4	129.7	129.3	127.9	126.4	117.7
Special Education	61.0	56.0	64.4	56.8	63.2	58.8	50.4	66.5	76.5	66.1
Other Special Education	25.0	9.0	9.0	13.0	13.0	11.5	24.8	12.6	11.5	10.5
Support Services:										
Student and Instruction Related Services	52.0	54.0	38.3	48.4	50.0	41.0	46.0	44.8	43.8	60.3
General Administration	3.0	2.0	2.4	2.5	2.5	2.1	2.1	2.1	2.0	2.0
School Administration Services	20.0	18.0	18.0	17.0	18.0	15.5	15.5	15.5	15.5	16.0
Other Administrative Services	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services	5.0	7.0	7.0	7.0	7.0	6.7	6.7	6.0	6.0	6.0
Administrative Information Technology	1.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.5
Plant Operations and Maintenance	30.0	30.0	28.0	31.0	28.0	13.0	12.6	13.3	13.3	15.0
Pupil Transportation	25.0	26.0	25.0	25.0	23.5	19.5	18.6	19.4	19.4	21.0
Total	<u>379.0</u>	<u>363.0</u>	<u>353.7</u>	<u>338.2</u>	<u>343.6</u>	<u>300.8</u>	<u>308.0</u>	<u>310.1</u>	<u>316.4</u>	<u>317.1</u>

Sources: District Personnel Records

READINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	2,283	\$ 28,997,789	\$ 12,702	8.46%	243	1 to 9.30	2,170.2	2,113.9	-3.14%	97.41%
2007	2,258	30,144,367	13,350	5.10%	248	1 to 9.10	2,237.7	2,149.8	3.11%	96.07%
2008	2,208	31,259,676	14,157	6.05%	250	1 to 8.83	2,254.7	2,170.1	0.76%	96.25%
2009	2,164	31,094,310	14,369	1.49%	230	1 to 9.41	2,033.1	1,969.4	-9.83%	96.87%
2010	2,097	31,746,043	15,139	5.36%	214	1 to 9.80	2,089.4	2,004.1	2.77%	95.92%
2011	2,040	30,545,059	14,973	-1.09%	209	1 to 9.76	2,030.5	1,953.2	-2.82%	96.19%
2012	1,955	29,987,047	15,339	2.44%	206	1 to 9.49	1,959.1	1,880.5	-3.52%	95.99%
2013	1,875	31,272,613	16,679	8.74%	200	1 to 9.38	1,844.1	1,762.6	-5.87%	95.58%
2014	1,780	30,824,120	17,317	3.83%	195	1 to 9.13	1,777.9	1,706.0	-3.59%	95.96%
2015	1,752	31,033,787	17,713	2.29%	196	1 to 8.94	1,754.8	1,684.0	-1.30%	95.96%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

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

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary:										
<u>Whitehouse School (1916)</u>										
Square Feet	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333
Capacity (Students)	456	456	531	531	531	531	531	531	531	531
Enrollment	526	504	488	450	411	385	372	337	342	352
<u>Three Bridges School (1950)</u>										
Square Feet	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435
Capacity (students)	345	345	445	445	445	445	445	445	445	445
Enrollment	435	444	438	414	415	382	373	337	317	333
<u>Holland Brook School (1999)</u>										
Square Feet	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150
Capacity (students)	537	537	653	653	653	653	653	653	653	653
Enrollment	521	490	497	503	496	497	463	429	405	378
Middle:										
<u>Readington Middle School (1962)</u>										
Square Feet	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536
Capacity (students)	667	667	832	832	832	832	832	832	832	832
Enrollment	787	796	764	771	743	763	742	748	709	688

Number of Schools at June 30, 2015

Elementary = 3

Middle School = 1

Senior High School = 0

Other = 0

Source: District Facilities Office

N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

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

Fiscal Year Ended	*School Facilities				Total
	Three Bridges School	Whitehouse School	Holland Brook School	Readington Middle School	
2006	\$ 109,515	\$ 91,687	\$ 101,128	\$ 158,830	\$ 461,160
2007	117,675	96,698	115,746	227,477	557,596
2008	142,786	136,058	143,337	185,722	607,903
2009	100,520	91,969	166,069	174,239	532,797
2010	108,313	112,045	204,589	206,633	631,580
2011	99,942	105,405	179,268	165,132	549,747
2012	115,270	100,249	142,749	177,767	536,035
2013	128,858	108,675	181,545	202,067	621,145
2014	146,587	100,587	124,561	188,397	560,132
2015	91,615	85,736	108,262	159,699	445,312
	<u>\$ 1,161,081</u>	<u>\$ 1,029,109</u>	<u>\$ 1,467,254</u>	<u>\$ 1,845,963</u>	<u>\$ 5,503,407</u>

*School facilities as Defined Under
EFCFA (NJAC 6A:26-1.2 &
NJAC 6:24-1.3)

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Insurance Cooperative)	\$ 250,000,000	\$ 2,500
Comprehensive General Liability	5,000,000	
Blanket Dishonesty Bond	500,000	2,500
Pollution Liability-School Alliance Insurance		
Fund through ACE Insurance Company:		
Claim Limit	1,000,000	10,000
School Board Legal Liability-School Alliance Insurance		
Fund through National Union Fire Insurance Company of		
Pittsburgh PA:		
Policy Limit	5,000,000	10,000
Worker's Compensation-School Alliance Insurance Fund:		
Per Accident, Disease and Disease Limit	5,000,000	
Excess Liability-School Alliance Insurance Fund:		
Policy Limit	5,000,000	
Public Employees' Faithful Performance-Hanover Insurance Company:		
Business Administrator's Bond	250,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

INDEPENDENT AUDITOR'S REPORT

November 19, 2015

Honorable President and
Members of the Board of Education
Readington Township School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Readington Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control over Financial Reporting

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

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


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

Compliance and Other Matters

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

Purpose of this Report

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


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

William M. Colantano, Jr.

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
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INDEPENDENT AUDITOR'S REPORT

November 19, 2015

Honorable President and
Members of the Board of Education
Readington Township School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Readington Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2015. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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

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

William M. Colantano, Jr.

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

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 19, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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

William M. Colantano, Jr.

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

Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health and Human Services: General Fund:													
ARRA Medicaid Assistance Program	93.778	ARRA- 435011	\$ 200	10/1/2008 12/31/2010	\$ -	\$ -	\$ 200	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title I Part A	84.010A	NCLB- 435014	56,055	07/01/2013- 06/30/2014	(17,540)	(1,977)	17,540				(1,977)		
NCLB Title I Part A	84.010A	NCLB- 435012	27,090	09/01/2011- 08/31/2012		(6,381)					(6,381)		
NCLB Title I Part A Carry-over	84.010A	NCLB- 435014	56,055	07/01/2014- 06/30/2015		8,358		8,358					
NCLB Title I Part A	84.010A	NCLB- 435015	53,204	07/01/2014- 06/30/2015				41,756			(53,204)	11,448	
NCLB Title I Part A School Rewards Program	84.010A	NCLB- 435015	29,654	07/01/2014- 06/30/2015			29,654	29,654					
NCLB Title II Part A	84.367A	NCLB- 435014	25,475	07/01/2013- 06/30/2014	(9,975)		9,975						
NCLB Title II Part A	84.367A	NCLB- 435015	25,513	07/01/2014- 06/30/2015			14,909	19,179			(10,604)	6,334	
NCLB Title III Immigrant	84.365A	NCLB- 435014	6,152	09/01/2012- 08/31/2013	(4,449)		4,437				(12)		
Special Education Cluster (IDEA):													
IDEA Basic	84.027	IDEA- 435014	383,955	07/01/2013- 06/30/2014	(55,026)	(7,666)	55,026				(7,666)		
IDEA Basic Carry-over	84.027	IDEA- 435014	383,955	07/01/2014- 06/30/2015		7,666		7,666					
IDEA Basic	84.027	IDEA- 435015	388,239	07/01/2014- 06/30/2015			280,982	388,239			(107,257)		
IDEA Preschool	84.173	IDEA- 435014	13,193	07/01/2013- 06/30/2014	(12,488)	(232)	12,488				(232)		
IDEA Preschool Carry-over	84.173	IDEA- 435014	13,193	07/01/2014- 06/30/2015		232		232					
IDEA Preschool	84.173	IDEA- 435015	13,046	07/01/2014- 06/30/2015			126	13,046			(12,920)		
IDEA Cluster Subtotal					(67,514)	-	348,622	409,183	-	-	(128,075)	-	-
Total Special Revenue Fund					(99,478)	-	425,137	508,130	-	-	(200,253)	17,782	-
US Department of Agriculture Passed Through State Department of Agriculture:													
Enterprise Fund:													
Child Nutrition Cluster:													
National School Lunch Program- Noncash Assistance (Commodities)	10.555	N/A	27,716	07/01/2013- 06/30/2014	1,367			1,367					
National School Lunch Program- Noncash Assistance (Commodities)	10.555	N/A	26,441	07/01/2014- 06/30/2015			26,441	25,468				973	
National School Lunch Program- Cash Assistance	10.555	N/A	66,378	07/01/2013- 06/30/2014	(5,239)		5,239						
National School Lunch Program- Cash Assistance	10.555	N/A	81,616	07/01/2014- 06/30/2015			74,714	81,616			(6,902)		
Total Enterprise Fund					(3,872)	-	106,394	108,451	-	-	(6,902)	973	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (103,350)	\$ -	\$ 531,731	\$ 616,781	\$ -	\$ -	\$ (207,155)	\$ 18,755	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balance	Balance June 30, 2015			MEMO	
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education													
General Fund:													
Categorical Special Education Aid	15-495-034 -5120-089	\$ 1,137,296	07/01/2014- 06/30/2015			\$ 1,137,296	\$ 1,137,296					\$ 105,312	\$ 1,137,296
Categorical Security Aid	15-495-034 -5120-084	67,253	07/01/2014- 06/30/2015			67,253	67,253					6,227	67,253
Categorical Transportation Aid	15-495-034 -5120-014	155,563	07/01/2014- 06/30/2015			155,563	155,563					14,405	155,563
Additional Adjustment Aid	15-495-034 -5120-085	9,488	07/01/2014- 06/30/2015			9,488	9,488					878	9,488
PARCC Readiness Aid	15-495-034 -5120-098	16,410	07/01/2014- 06/30/2015			16,410	16,410					1,520	16,410
Per Pupil Growth Aid	15-495-034 -5120-097	16,410	07/01/2014- 06/30/2015			16,410	16,410					1,520	16,410
Payment for Institutionalized Children-Unknown District of Residence	14-495-034 -5120-005	12,003	07/01/2013- 06/30/2014	\$ (1,192)		1,192							12,003
Payment for Institutionalized Children-Unknown District of Residence	15-495-034 -5120-005	28,746	07/01/2014- 06/30/2015			26,364	28,746		\$ (2,382)				28,746
Extraordinary Aid	14-100-034 -5120-473	185,871	07/01/2013- 06/30/2014	(183,950)		185,871	1,921						185,871
Extraordinary Aid	15-100-034 -5120-473	243,633	07/01/2014- 06/30/2015				243,633		(243,633)				243,633
Nonpublic Transportation Aid	14-495-034 -5120-014	13,691	07/01/2013- 06/30/2014	(13,691)		13,691							13,691
Nonpublic Transportation Aid	15-495-034 -5120-014	11,442	07/01/2014- 06/30/2015				11,442		(11,442)				11,442
On-Behalf TPAF Pension Contribution-Post Retirement Medical	15-495-034 -5094-001	1,211,473	07/01/2014- 06/30/2015			1,211,473	1,211,473						1,211,473
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	15-495-034 -5094-007	51,219	07/01/2014- 06/30/2015			51,219	51,219						51,219
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	15-495-034 -5094-006	711,913	07/01/2014- 06/30/2015			711,913	711,913						711,913
Reimbursed TPAF Social Security Contribution	14-495-034 -5095-002	1,026,842	07/01/2013- 06/30/2014	(52,698)		52,698							1,026,842
Reimbursed TPAF Social Security Contribution	15-495-034 -5094-003	1,000,672	07/01/2014- 06/30/2015			903,988	1,000,672		(96,684)				1,000,672
Total General Fund				(251,531)	\$ -	4,560,829	4,663,439	\$ -	(354,141)	\$ -	\$ -	129,862	5,899,925
Special Revenue Fund:													
Nonpublic Auxiliary Services Aid English as a Second Language	15-100-034 -5120-067	914	07/01/2014- 06/30/2015			914					914		
Nonpublic Handicapped Aid Examination and Classification	14-100-034 -5120-066	2,228	07/01/2013- 06/30/2014		2,228			2,228					
Nonpublic Handicapped Aid Examination and Classification	15-100-034 -5120-066	361	07/01/2014- 06/30/2015			361					361		
Nonpublic Handicapped Aid Corrective Speech	15-100-034 -5120-066	884	07/01/2014- 06/30/2015			884					884		
Nonpublic Handicapped Aid Corrective Speech	13-100-034 -5120-067	5,468	07/01/2013- 06/30/2014		5,468			5,468					
Total Special Revenue Fund				-	7,696	2,159	-	7,696	-	-	2,159	-	-
Debt Service Fund:													
Debt Service Aid-State Support	14-495-034 -5120-017	6,494	07/01/2014- 06/30/2015	-	-	6,494	6,494	-	-	-	-	-	6,494

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balance	Balance June 30, 2015			MEMO	
				Deferred Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education (Continued)													
NJ School Development Authority:													
Capital Projects Fund:													
ROD 1-HVAC Upgrades Project:													
Readington Middle School	4350-050-09-1001	\$ 218,000	N/A	\$ (62,924)					\$ (62,924)				\$ 62,924
Three Bridges Elementary School	4350-060-09-1003	138,000	N/A	(41,394)					(41,394)				41,394
Whitehouse Elementary School	4350-070-09-1004	70,000	N/A	(37,118)					(37,118)				37,118
ROD IV-Security Surveillance Upgrades:													
Readington Middle School	4350-050-14-1006	46,000	N/A	(46,000)					(46,000)				46,000
Three Bridges Elementary School	4350-060-14-1007	24,000	N/A	(24,000)					(24,000)				24,000
Whitehouse Elementary School	4350-070-14-1008	28,000	N/A	(28,000)					(28,000)				28,000
Holland Brook Elementary School	4350-030-14-1005	26,000	N/A	(26,000)					(26,000)				26,000
ROD IV-Roof Replacement:													
Whitehouse Elementary School	4350-070-13-3004	208,000	N/A	(208,000)					(208,000)				208,000
Three Bridges Elementary School	4350-060-13-3003	250,000	N/A	(250,000)					(250,000)				250,000
ROD IV-Phase 2 of Window Replacement at													
Readington Middle School	4350-050-13-3002	150,000	N/A	(150,000)					(150,000)				150,000
Total Capital Projects Fund				(873,436)	\$ -	\$ -	\$ -	\$ -	(873,436)	\$ -	\$ -	\$ -	873,436
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	14-100-010	4,276	07/01/2013-										
	-3350-023		06/30/2014	(555)		555							4,276
State School Lunch Program	15-100-010	4,875	07/01/2014-										
	-3350-023		06/30/2015			4,339	4,875		(536)				4,875
Total Enterprise Fund				(555)	-	4,894	4,875	-	(536)	-	-	-	9,151
TOTAL STATE FINANCIAL ASSISTANCE				\$ (1,125,522)	\$ 7,696	\$ 4,574,376	\$ 4,674,808	\$ 7,696	\$ (1,228,113)	\$ -	\$ 2,159	\$ 129,862	\$ 6,789,006

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,183) for the general fund, \$6,813 for the special revenue fund and \$477,251 for the capital projects funds. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 200	\$ 4,660,256	\$ 4,660,456
Special Revenue Fund	\$ 49,792	514,943		564,735
Capital Projects Fund			477,251	477,251
Debt Service Fund			6,494	6,494
Food Service Fund		108,451	4,875	113,326
	<u>\$ 49,792</u>	<u>\$ 623,594</u>	<u>\$ 5,148,876</u>	<u>\$ 5,822,262</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

READINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

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

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

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

Federal Awards

Internal Control Over Major Programs:

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

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

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

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

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
84.027	\$ 395,905	Special Education Cluster (IDEA):
84.173	13,278	IDEA Basic
		IDEA Preschool
10.555	81,616	Child Nutrition Cluster:
		National School Lunch Program-Cash Assistance
10.555	26,835	National School Lunch Program-Commodities

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

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

\$300,000

Auditee qualified as a low-risk auditee

X Yes No

State Awards

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

\$300,000

Auditee Qualified as low-risk auditee

X Yes No

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

Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified?

 Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses?

 Yes X No

Any Audit Findings Disclosed that are Required
to be Reported in Accordance with NJ OMB
Circular Letter 15-08?

 Yes X No

Identification of Major Programs:

GMIS Numbers
15-495-034-5120-473
15-495-034-5120-089

Amount
\$ 243,633
1,137,296

Name of State Program
Extraordinary Special Education Costs Aid
Categorical Special Education Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

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

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

There were no prior year findings or questioned costs.