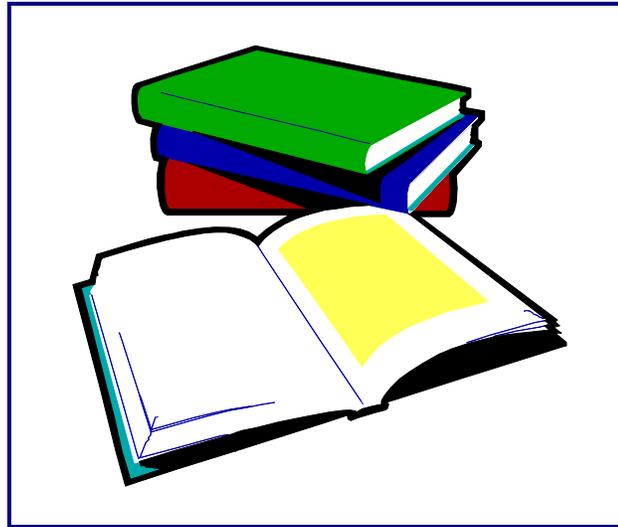


**CITY OF SALEM
SCHOOL DISTRICT**



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

**CITY OF SALEM SCHOOL DISTRICT
Table of Contents**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	9
Required Supplementary Information – Part I Management’s Discussion and Analysis	15
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	28
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	29
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Proprietary Funds:	
B-4 Statement of Net Position	32
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	33
B-6 Statement of Cash Flows	34
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	35
B-8 Statement of Changes in Fiduciary Net Position	36
Notes to the Financial Statements	37
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	62
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	72
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	78
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule – Note to RSI	79

**CITY OF SALEM SCHOOL DISTRICT
Table of Contents (Cont'd)**

	Page
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	82
D-2 Blended Resource Fund – Combined Schedule(s) of Expenditures Allocated by Resource Type – Actual	83
D-3 Blended Resource Fund – Schedule(s) of Blended Expenditures – Budget and Actual	87
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	112
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	115
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	118
F-2 Summary Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis	119
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	120
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position	122
G-2 Statement of Revenues, Expenses and Changes in Fund Net Assets	123
G-3 Statement of Cash Flows	124
Internal Service Fund:	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	126
H-2 Combining Statement of Changes in Fiduciary Net Position	127
H-3 Student Activity Agency Fund	128
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	129

**CITY OF SALEM SCHOOL DISTRICT
Table of Contents (Cont'd)**

	Page
Other Supplementary Information (Cont'd)	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	131
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	132
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	135
J-2 Changes in Net Position	136
J-3 Fund Balances—Governmental Funds	139
J-4 Changes in Fund Balances—Governmental Funds	140
J-5 General Fund Other Local Revenue by Source	141
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	143
J-7 Direct and Overlapping Property Tax Rates	143
J-8 Principal Property Taxpayers	145
J-9 Property Tax Levies and Collections	146
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	148
J-11 Ratios of General Bonded Debt Outstanding	149
J-12 Direct and Overlapping Governmental Activities Debt	150
J-13 Legal Debt Margin Information	151
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	153
J-15 Principal Employers	154
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	156
J-17 Operating Statistics	157
J-18 School Building Information	158
J-19 Schedule of Required Maintenance Expenditures by School Facility	159
J-20 Insurance Schedule	160
SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
K-2 Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB	162
K-3 Schedule of Expenditures of Federal Awards, Schedule A	164
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	166
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	170
K-6 Schedule of Findings and Questioned Costs	172
K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	177
APPRECIATION	178

INTRODUCTORY SECTION

Salem City School District

205 Walnut Street
Salem, New Jersey 08079
Telephone 856.935.3800 Fax 856.935.4753

Dr. Amiot Patrick Michel
Superintendent

Deborah A. Piccirillo
Business Administrator

Pamela Bates Thomas
Director of Special Services

December 1, 2014

Honorable President and Members of the Board of Education
Board of Education of the Salem City School District
County of Salem, New Jersey

The comprehensive annual financial report of the Salem City School District (District) for the fiscal year ended June 30, 2014 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular Letter 04-04, *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, are included in the single audit section of this report.

1. Reporting Entity And Its Services:

Salem City School District is an independent reporting entity as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Salem City 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 12. These include regular and special education services for children. The District completed the 2013-2014 fiscal year with an enrollment of 1,190 students, which represents an increase of 7 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2013-2014	1,190	0.6%
2012-2013	1,183	(5.3)%
2011-2012	1,248	1.3%
2010-2011	1,232	(2.9)%
2009-2010	1,269	(8.7)%

2. Economic Condition and Outlook:

The Salem City community has not experienced any significant population or business growth in the past decade. Salem is an economically devastated area and dozens of businesses have closed down, thereby not only depressing the real estate market, but also putting pressure on the tax ratables. The economic outlook does not look bright in the foreseeable future, as there are very few avenues of business growth available to the community at present.

3. Major Initiatives:

Several renovations have been completed at the High School such as, Phase I of the HVAC System, completely renovated science labs, and partial roof replacement funded by the School Development Authority (SDA). Also, renovations at the John Fenwick Elementary School included asphalt resurfacing of the playground. Future projects include exterior masonry funded by the School Development Authority (SDA) and newly constructed science lab at the Middle School.

Discussions are in progress regarding a new elementary school. This project would be funded by the School Development Authority (SDA) and restructured to include PK through 4th grade. Currently, 3rd and 4th graders are integrated with the Middle School.

The District continued to participate in the consortia to purchase janitorial supplies, natural gas and transportation. The District also continued to provide shared services to our sending districts such as Child Study Team, Professional Development and Cafeteria.

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 14-15 fiscal year.

The district has awarded several service contracts with nationally known professional development providers. These providers have designed customized, sustainable professional development to our staff throughout the year and beyond.

We are proud that Salem High School is now an International Baccalaureate (IB) World School. The prestigious IB Diploma program is designed to develop inquiring, knowledgeable, and caring young people who help to create a better more peaceful world through intercultural understanding and respect. The IB program consists of a rigorous pre-university curriculum, leading to examinations which meet the needs of highly motivated students. Participants are expected to complete curricula and assessment activities that are coordinated and evaluated by international assessors and are measured against pre-established international standards.

We have currently added Project Lead The Way (PLTW). In PLTW Engineering, students engage in open-ended problem solving, learn and apply the engineering design process, and use the same industry-leading technology and software as are used in the world's top companies. Students investigate topics such as aerodynamics and astronautics, biological engineering and sustainability, and digital electronics and circuit design, which gives them an opportunity to learn about different engineering disciplines before beginning post-secondary education or careers.

Schools offer a minimum of three courses by the end of the third year of implementation: Introduction to Engineering Design, Principles Of Engineering, and any specialization course or the capstone course. Introduction to Engineering Design includes students digging deep into the engineering design process, applying math, science, and engineering standards to hands-on projects. The students work both individually and in teams to design solutions to a variety of problems using 3D modeling software, and use an engineering notebook to document their work. Principles of Engineering include problems that engage and challenge. Students explore a broad range of engineering topics, including mechanisms, the strength of structures and materials, and automation. Students develop skills in problem solving, research, and design while learning strategies for design process documentation, collaboration, and presentation.

4. Internal Accounting Controls:

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

4. Internal Accounting Controls (cont'd):

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. While the IDEA ARRA audit was being conducted by the DOE for the year ending June 30, 2010, the state auditor commended the district for the condition of the accounting records. This internal control structure is also subject to periodic evaluation by the District management.

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

5. Budgetary Controls:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2014.

6. Accounting System and Reports:

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

7. Cash Management:

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

8. Risk Management:

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

9. Other Information:

- A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company, LLP, 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 Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. Acknowledgements:

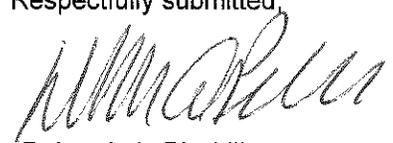
We would like to express our appreciation to the members of the Salem City Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff combined with the efforts of our audit firm.

Respectfully submitted,



Dr. Amiot Michel,
Superintendent

Respectfully submitted,



Deborah A. Piccirillo,
School Business Administrator

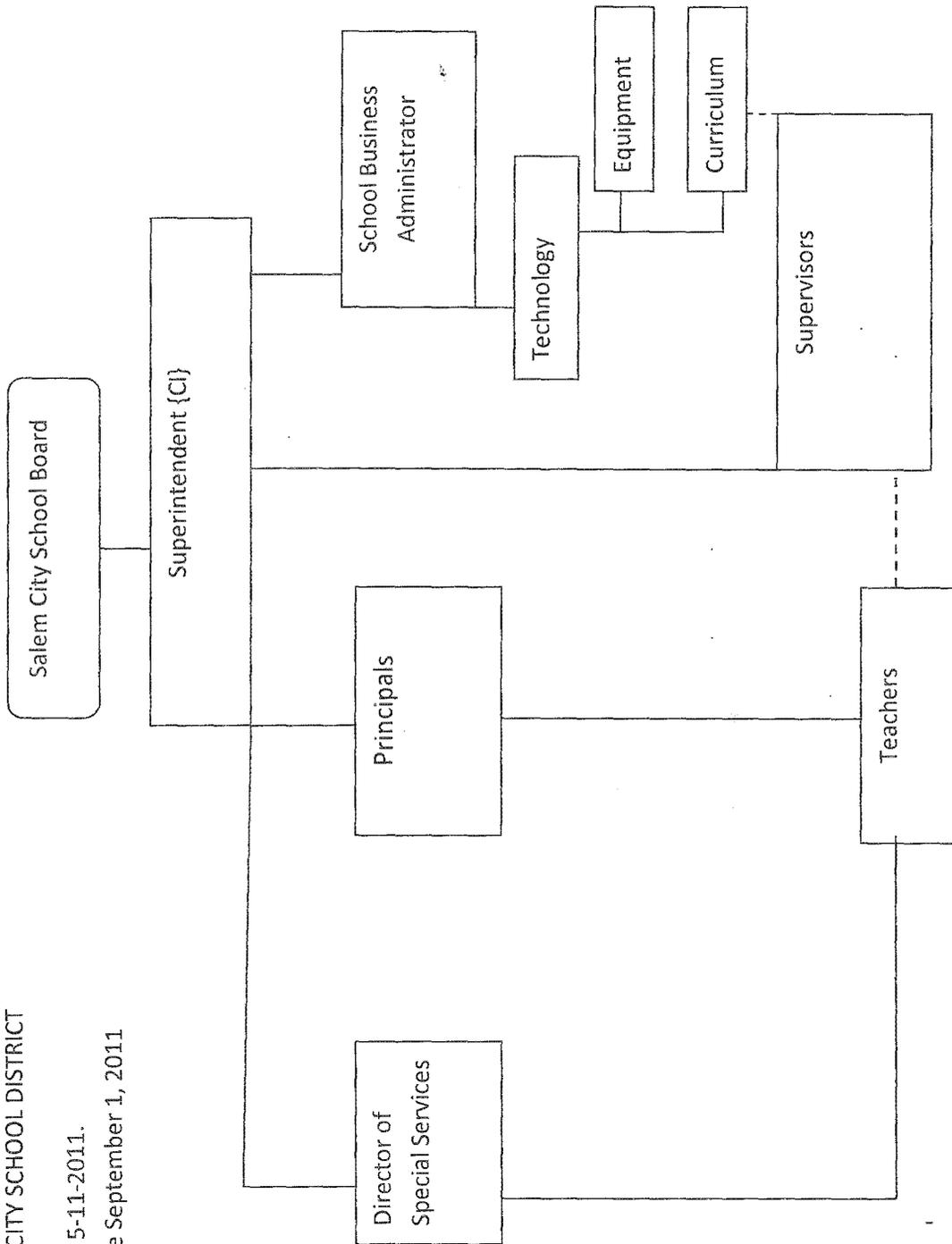
Transforming Schools in the Images of Children's Potential

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT

Revised 5-11-2011.

Effective September 1, 2011



CITY OF SALEM SCHOOL DISTRICT
SALEM, NEW JERSEY
JUNE 30, 2014

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yuenge Groce, President	2016
Carol Adams, Vice President	2015
Barbara Chrisden	2014
Daffonie Moore	2014
Katrina Tatem	2014
Joan Hoolahan	2016
Stephanie Walsh	2016
Christopher Colon	2015
Julian Le Flore	2015
 <u>Sending District Members</u>	
Mary Master, Elsinboro	2014
Imogene Brown, Quinton through 01/01/2014	2014
Donald Richman, Mannington	2014
 <u>Other Officials</u>	
Dr. Amiot Michel, Chief School Administrator	
Deborah Piccirillo, Board Secretary/School Business Administrator	
Linda Jones, Treasurer of School Monies	
Roger A. Barbour, Esq., Solicitor/Negotiator	

**CITY OF SALEM SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2014**

Audit Firm

Bowman & Company LLP
6 North Broad Street, Suite 201
Woodbury, NJ 08096

Attorney

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10 N. Chestnut Avenue
Maple Shade, NJ 08052

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
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Woodbridge, NJ 07095

Official Depository

Franklin Savings Bank
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Salem, NJ 08079

Insurance Agent

Connor Strong Companies, Inc.
P. O. Box 358
Bridgeton, NJ 08302

Doctor

Joseph LaCavera, III, D.O.
494 Barretts Run Road
Bridgeton, NJ 08302

Architect

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

Regan Young England Butera, PC
456 High Street
Mt. Holly, NJ 08060

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, 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 City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salem School District in the County of Salem, State of New Jersey, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 as listed 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 City of Salem School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2014 on our consideration of the City of Salem School 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 City of Salem School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS000886

Woodbury, New Jersey
December 1, 2014

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, 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 statement audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Salem School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 1, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District'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 City of Salem School District'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, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS000886

Woodbury, New Jersey
December 1, 2014

REQUIRED SUPPLEMENTARY INFORMATION
PART I

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

This section of City of Salem School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and maintenance consultant	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net position -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both financial and capital and short-term and long-term	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

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

The two district-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

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

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

District-Wide Statements (Cont'd)

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

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

Fund Financial Statements

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

- Some funds are required by State Law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (completing approved capital projects) or to show that it is properly using certain revenues (such as federal grants).

The District has three kinds of funds:

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

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* total net position is \$8,011,744 on June 30, 2014. Approximately 3.3% of the total net position is from business-type activities, while the balance of the total net position is 96.7%, attributable to governmental activities.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 1,613,909	\$ 1,821,783	\$ 214,833	\$ 189,111	\$ 1,828,742	\$ 2,010,894
Capital Assets	10,217,924	10,031,170	108,284	97,351	10,326,208	10,128,521
Total Assets	11,831,833	11,852,953	323,117	286,462	12,154,950	12,139,415
Current Liabilities	839,878	1,467,465	57,049	41,516	896,927	1,508,981
Noncurrent Liabilities	3,210,977	3,457,594			3,210,977	3,457,594
Total Liabilities	4,050,855	4,925,059	57,049	41,516	4,107,904	4,966,575
Deferred Inflows of Resources	35,302	42,512			35,302	42,512
Invested in Capital Assets	7,792,924	7,376,170	108,284	97,351	7,901,208	7,473,521
Restricted	792,710	532,253			792,710	532,253
Unrestricted (Deficit)	(839,958)	(1,023,041)	157,784	147,595	(682,174)	(875,446)
Total Net Position	\$ 7,745,676	\$ 6,885,382	\$ 266,068	\$ 244,946	\$ 8,011,744	\$ 7,130,328

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Changes in net position. The District's total revenues are \$29,131,665 for the fiscal period ended June 30, 2014. The state formula aid accounted for 60% of the District's revenue, 23% is derived from state and federal aid for specific programs, 9% is derived from property taxes, and the remainder, 8% from fees charged for services and miscellaneous resources.

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,181,600	\$ 1,924,861			\$ 2,181,600	\$ 1,924,861
Operating Grants and Contributions	5,997,566	6,104,717	\$ 765,974	\$ 714,427	6,763,540	6,819,144
Business Type Activities:						
Food Service			249,150	255,521	249,150	255,521
General Revenues:						
Property Taxes	2,512,264	2,512,230			2,512,264	2,512,230
Grants and Contributions not Restricted to Specific Programs	17,402,960	16,375,304			17,402,960	16,375,304
Other	21,729	36,365	422	415	22,151	36,780
Total Revenues	28,116,119	26,953,477	1,015,546	970,363	29,131,665	27,923,840
Expenses:						
Instruction	10,295,865	10,749,125			10,295,865	10,749,125
Support Services	16,845,928	16,280,516			16,845,928	16,280,516
Other	114,032	124,531			114,032	124,531
Food Service			994,424	988,376	994,424	988,376
Internal Service					-	-
Total Expenses	27,255,825	27,154,172	994,424	988,376	28,250,249	28,142,548
Increase in Net Assets	860,294	(200,695)	21,122	(18,013)	881,416	(218,708)
Net Position, July 1	6,885,382	7,086,077	244,946	262,959	7,130,328	7,349,036
Net Position, June 30	\$ 7,745,676	\$ 6,885,382	\$ 266,068	\$ 244,946	\$ 8,011,744	\$ 7,130,328

The District's total expenses are \$28,250,249 for the fiscal period ended June 30, 2014. Instruction accounted for 36% of the District's expenses, 60% is comprised of support services and 4% is related to other and business type expenses.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities (Cont'd)

Revenues for the District's governmental activities amounted to \$28,116,119 while total expenses amounted to \$27,255,825. This resulted in an increase in net assets in governmental activities of \$860,294 for the 2014 fiscal year.

Overall, the health of the District's finances can be credited to controlling expenses and the district securing grants to supplement local and state funding.

Business-type Activities

Revenues of the District's business-type activities amounted to \$1,015,546 and expenses were \$994,424. Factors contributing to these results include a decrease in sales revenue and Federal and State reimbursements and an overall small increase in costs. Food service revenues exceeded expenses by \$21,122 for the 2014 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$8,011,744.

General Fund Budgetary Highlights

The District's final 13-14 budget anticipated utilizing \$1,152,403 in fund balance and \$381,921 of prior year encumbrances to fund a portion of the appropriation plan for this fiscal period.

Actual expenditures for capital outlay totaled \$999,115 in the Operating Fund. Capital outlay expenditures consist of numerous projects throughout the district.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2014, the District had invested a net amount of \$10,217,924 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment administrative offices, HVAC systems, science lab upgrades and security cameras. (Detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the year was \$812,361.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

CITY OF SALEM SCHOOL DISTRICT'S NET POSITION (NET OF ACCUMULATED DEPRECIATION)							
	Governmental Activities		Business-Type Activities		Total		
	2014	2013	2014	2013	2014	2013	
Land	\$ 563,650	\$ 563,650			\$ 563,650	\$ 563,650	
Construction in Progress							
Land Improvements	176,920	191,600			176,920	191,600	
Building Improvements	8,824,218	8,501,775			8,824,218	8,501,775	
Equipment	653,136	774,145	\$ 108,284	\$ 97,351	761,420	871,496	
Total	\$ 10,217,924	\$ 10,031,170	\$ 108,284	\$ 97,351	\$ 10,326,208	\$ 10,128,521	

The District's fiscal year 2014 capital budget anticipated the following School Development Authority capital projects including these areas:

- Partial Roof Repair and Replacement at Salem High School

Upon becoming a Special Needs School District, these projects are eligible for 100% funding through the New Jersey Schools Development Authority.

Long-term Debt

The District has the authority to issue bonds. On February 15, 1999, the district authorized \$4,989,000 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000 producing a total present value savings of \$115,352.07. The current outstanding principal on these bonds is \$2,425,000.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District is acutely aware of the need to improve student performance on standardized testing mandated by the State of New Jersey. The district acknowledges the need for professional development to enhance educational opportunities for the students of the district.
- The District had an increase in the State Formula Aid for the fiscal year 2013-2014 of 1.32%.
- The District's special revenue is an unpredictable revenue source. The district avails itself of every grant opportunity to increase educational opportunities for the students.
- During the 2013-2014 budget process, \$1,152,403 of fund balance was used to support the budget and in 2014-2015 \$1,357,230 of fund balance was used to support the budget.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

(Unaudited)

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONT'D)

- The excess surplus generated during 2012-2013, in the amount of \$154,358 will be anticipated as revenue in the 2014-2015 budget. The excess surplus generated during 2013-2014, in the amount of \$206,193 will be anticipated as revenue in the 2015-2016 budget.
- The deferment of the nineteenth and twentieth state aid payments leaves the district in a precarious budgetary position regarding future budgets. The District was required to borrow moneys due to the delay in state aid payments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Deborah A. Piccirillo, Business Administrator, Salem City School District, 205 Walnut Street, Suite 408, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 660,161.93	\$ 127,245.20	\$ 787,407.13
Receivables, net	751,744.63	74,238.27	825,982.90
Inventory		13,349.94	13,349.94
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,001.30		1,001.30
Capital Reserve Account - Cash	201,001.00		201,001.00
Capital Assets, net	10,217,923.73	108,283.72	10,326,207.45
Total Assets	11,831,832.59	323,117.13	12,154,949.72
LIABILITIES:			
Accounts Payable	185,875.55	54,251.91	240,127.46
Loan Payable (Short Term)	515,134.00		515,134.00
Accrued Interest	40,067.00		40,067.00
Unearned Revenue	98,801.39	2,796.77	101,598.16
Noncurrent Liabilities:			
Due within One Year	315,102.82		315,102.82
Due beyond One Year	2,895,873.87		2,895,873.87
Total Liabilities	4,050,854.63	57,048.68	4,107,903.31
DEFERRED INFLOWS OF RESOURCES:			
Premium on Bond Refunding	35,302.40		35,302.40
Total Deferred Inflows of Resources	35,302.40	-	35,302.40
NET POSITION:			
Net Investment in Capital Assets	7,792,923.73	108,283.72	7,901,207.45
Restricted:			
Debt Service (Deficit)	(75,368.14)		(75,368.14)
Other Purposes	868,078.45		868,078.45
Unrestricted (Deficit)	(839,958.48)	157,784.73	(682,173.75)
Total Net Position	\$ 7,745,675.56	\$ 266,068.45	\$ 8,011,744.01

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF SALEM SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 7,779,874.47	\$ 2,181,600.50	\$ 2,153,923.00	\$ (3,444,350.97)	\$	\$ (3,444,350.97)
Special Education	1,599,850.77			(1,599,850.77)		(1,599,850.77)
Other Special Instruction	43,409.32			(43,409.32)		(43,409.32)
Vocational	313,132.46			(313,132.46)		(313,132.46)
Other Instruction	559,597.71			(559,597.71)		(559,597.71)
Support Services:						
Tuition	1,551,552.20			(1,551,552.20)		(1,551,552.20)
Student and Instruction Related Services	4,259,946.08		1,675,049.03	(2,584,897.05)		(2,584,897.05)
School Administrative Services	847,193.71			(847,193.71)		(847,193.71)
General and Business Administrative Services	775,548.46			(775,548.46)		(775,548.46)
Plant Operations and Maintenance	2,395,325.22			(2,395,325.22)		(2,395,325.22)
General/Non-Allocated	739,275.52			(739,275.52)		(739,275.52)
Pupil Transportation	779,764.20			(779,764.20)		(779,764.20)
Unallocated Benefits	5,497,323.19		1,940,192.52	(3,557,130.67)		(3,557,130.67)
Other:						
Interest on Long-Term Debt	114,031.76		228,401.00	114,369.24		114,369.24
Total Governmental Activities	27,255,825.07	2,181,600.50	5,997,565.55	(19,076,659.02)	\$ -	(19,076,659.02)
Business-Type Activities:						
Food Service	994,423.84	249,149.56	765,974.43		20,700.15	20,700.15
Total Business-Type Activities	994,423.84	249,149.56	765,974.43	-	20,700.15	20,700.15
Total Primary Government	\$ 28,250,248.91	\$ 2,430,750.06	\$ 6,763,539.98	(19,076,659.02)	20,700.15	(19,055,958.87)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				2,392,321.00		2,392,321.00
Taxes Levied for Debt Service				119,943.00		119,943.00
Federal and State Aid not Restricted				17,402,959.62		17,402,959.62
Investment Earnings					422.54	422.54
Miscellaneous Income				14,519.41		14,519.41
Amortization of Premium Received on Sale of Bonds				7,209.74		7,209.74
Total General Revenues, Special Items, Extraordinary Items and Transfers				19,936,952.77	422.54	19,937,375.31
Change in Net Position				860,293.75	21,122.69	881,416.44
Net Position -- July 1				6,885,381.81	244,945.76	7,130,327.57
Net Position -- June 30				\$ 7,745,675.56	\$ 266,068.45	\$ 8,011,744.01

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 660,161.93		\$ 1,000.04	\$ 1.26	\$ 661,163.23
Capital Reserve	201,001.00				201,001.00
Interfunds Accounts Receivable	397,444.63	\$ 546.86			397,991.49
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	398,814.93	130,628.10	221,292.50		750,735.53
Total Assets	\$ 1,657,822.49	\$ 131,174.96	\$ 222,292.54	\$ 1.26	\$ 2,011,291.25
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 112,699.83	\$ 73,175.72			\$ 185,875.55
Interfunds Accounts Payable		190,089.85	\$ 207,292.54		397,382.39
Loans Payable (Short Term)	515,134.00				515,134.00
Unearned Revenue		83,801.39	15,000.00		98,801.39
Total Liabilities	627,833.83	347,066.96	222,292.54	\$ -	1,197,193.33
Fund Balances:					
Restricted:					
Capital Reserve	201,001.00				201,001.00
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures	154,358.13				154,358.13
Excess Surplus - Current Year	206,192.77				206,192.77
Debt Service				1.26	1.26
Assigned:					
Designated for Subsequent Year's Expenditures	1,202,871.87				1,202,871.87
Other Purposes	306,526.55				306,526.55
Unassigned (Deficit)	(1,040,961.66)	(215,892.00)			(1,256,853.66)
Total Fund Balances	1,029,988.66	(215,892.00)		1.26	814,097.92
Total Liabilities and Fund Balances	\$ 1,657,822.49	\$ 131,174.96	\$ 222,292.54	\$ 1.26	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$20,312,010.59 and the accumulated depreciation is \$10,094,086.86.	10,217,923.73
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,210,976.69)
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	(35,302.40)
Interest on long-term debt is accrued on the Statement of Net Assets regardless of when due.	(40,067.00)
Net Position of governmental activities	<u>\$ 7,745,675.56</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF SALEM SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 2,392,321.00			\$ 119,943.00	\$ 2,512,264.00
Tuition Charges	2,181,600.50				2,181,600.50
Miscellaneous	14,519.41				14,519.41
State Sources	18,485,802.52	\$ 2,431,424.33	\$ 779,916.00	228,401.00	21,925,543.85
Federal Sources	94,121.71	1,363,011.90			1,457,133.61
Local Sources		17,847.71			17,847.71
Total Revenues	23,168,365.14	3,812,283.94	\$ 779,916.00	348,344.00	28,108,909.08
EXPENDITURES:					
Current:					
Regular Instruction	5,596,450.88	2,153,923.00			7,750,373.88
Special Education Instruction	1,599,850.77				1,599,850.77
Other Special Instruction	43,409.32				43,409.32
Vocational Education	313,132.46				313,132.46
Other Instruction	559,597.71				559,597.71
Support Services and Undistributed Costs:					
Tuition	1,551,552.20				1,551,552.20
Student and Instruction Related Services	2,584,897.05	1,675,049.03			4,259,946.08
School Administrative Services	847,193.71				847,193.71
Other Administrative Services	761,355.07				761,355.07
Plant Operations and Maintenance	2,365,934.09				2,365,934.09
Pupil Transportation	779,764.20				779,764.20
Unallocated Benefits	5,513,939.29				5,513,939.29
Debt Service:					
Principal				230,000.00	230,000.00
Interest and Other Charges				118,343.76	118,343.76
Capital Outlay	204,332.61	14,866.91	779,916.00		999,115.52
Total Expenditures	22,721,409.36	3,843,838.94	779,916.00	348,343.76	27,693,508.06

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ 446,955.78	\$ (31,555.00)	\$ -	\$ 0.24	\$ 415,401.02
Net Change in Fund Balances	446,955.78	(31,555.00)		0.24	415,401.02
Fund Balance(Deficit) -- July 1	583,032.88	(184,337.00)		1.02	398,696.90
Fund Balance(Deficit) -- June 30	\$ 1,029,988.66	\$ (215,892.00)	\$ -	\$ 1.26	\$ 814,097.92

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF SALEM 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, 2014

Total Net Change in Fund Balances - Governmental Funds		\$ 415,401.02
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (812,360.63)	
Capital Outlays	<u>999,115.52</u>	
		186,754.89
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		230,000.00
Governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.		7,209.74
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		4,312.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-);when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>16,616.10</u>
Change in Net Position of Governmental Activities		<u>\$ 860,293.75</u>

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2014

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 127,245.20	\$ 127,245.20
Accounts Receivable:		
State	729.28	729.28
Federal	51,617.98	51,617.98
Fresh Fruit & Vegetable Program	2,243.66	2,243.66
Other	19,647.35	19,647.35
Inventories	13,349.94	13,349.94
Total Current Assets	<u>214,833.41</u>	<u>214,833.41</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	253,753.60	253,753.60
Less Accumulated Depreciation	<u>(145,469.88)</u>	<u>(145,469.88)</u>
Total Noncurrent Assets	<u>108,283.72</u>	<u>108,283.72</u>
Total Assets	<u>323,117.13</u>	<u>323,117.13</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable	54,251.91	54,251.91
Unearned Revenue:		
Lunches	589.90	589.90
USDA Commodities	<u>2,206.87</u>	<u>2,206.87</u>
Total Current Liabilities	<u>57,048.68</u>	<u>57,048.68</u>
NET POSITION:		
Investment in Capital Assets	108,283.72	108,283.72
Unrestricted	<u>157,784.73</u>	<u>157,784.73</u>
Total Net Position	<u>\$ 266,068.45</u>	<u>\$ 266,068.45</u>

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
OPERATING REVENUES:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 33,512.95	\$ 33,512.95
Daily Sales - Non-Reimbursable Programs	43,081.78	43,081.78
Special Functions	172,554.83	172,554.83
	<u>249,149.56</u>	<u>249,149.56</u>
Total Operating Revenues	249,149.56	249,149.56
OPERATING EXPENSES:		
Purchased Professional Services	387,669.66	387,669.66
Cleaning, Repair and Maintenance Services	13,081.39	13,081.39
Other Purchased Services	6,818.65	6,818.65
General Supplies	79,543.75	79,543.75
Depreciation	16,096.57	16,096.57
Cost of Sales	491,213.82	491,213.82
	<u>994,423.84</u>	<u>994,423.84</u>
Total Operating Expenses	994,423.84	994,423.84
Operating Income (Loss)	<u>(745,274.28)</u>	<u>(745,274.28)</u>
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	10,240.52	10,240.52
Federal Sources:		
National School Lunch Program	507,978.63	507,978.63
National School Breakfast Program	166,568.51	166,568.51
National School Snack Program	9,092.00	9,092.00
Fresh Fruits & Vegetables	21,100.00	21,100.00
Food Distribution Program	50,994.77	50,994.77
Interest and Investment Revenue	422.54	422.54
	<u>766,396.97</u>	<u>766,396.97</u>
Total Nonoperating Revenues (Expenses)	766,396.97	766,396.97
Change in Net Position	21,122.69	21,122.69
Net Position -- July 1	<u>244,945.76</u>	<u>244,945.76</u>
Net Position -- June 30	<u>\$ 266,068.45</u>	<u>\$ 266,068.45</u>

CITY OF SALEM SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<u>Business-Type Activities</u>	
	<u>Enterprise Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from Customers	\$ 258,280.34	\$ 258,280.34
Payments for Purchased Professional Services	(414,011.51)	(414,011.51)
Payments to Suppliers	(495,100.46)	(495,100.46)
Net Cash Provided by (used for) Operating Activities	<u>(650,831.63)</u>	<u>(650,831.63)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
State Sources	10,933.82	10,933.82
Federal Sources	749,940.08	749,940.08
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>760,873.90</u>	<u>760,873.90</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Purchases of Capital Assets	(27,029.00)	(27,029.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(27,029.00)</u>	<u>(27,029.00)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest Income	422.54	422.54
Net Cash Provided by (used for) Investing Activities	<u>422.54</u>	<u>422.54</u>
Net Increase (Decrease) in Cash and Cash Equivalents	83,435.81	83,435.81
Balances -- July 1	43,809.39	43,809.39
Balances -- June 30	<u>\$ 127,245.20</u>	<u>\$ 127,245.20</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities:		
Operating Income (Loss)	\$ (745,274.28)	\$ (745,274.28)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (used for) Operating Activities:		
Food Distribution Program	50,994.77	50,994.77
Depreciation and Net Amortization	16,096.57	16,096.57
(Increase) Decrease in Accounts Receivable, Net	9,433.17	9,433.17
(Increase) Decrease in Inventories	2,385.58	2,385.58
Increase (Decrease) in Interfund Payable	14,611.13	14,611.13
Increase (Decrease) in Unearned Revenue	921.43	921.43
Total Adjustments	<u>94,442.65</u>	<u>94,442.65</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (650,831.63)</u>	<u>\$ (650,831.63)</u>

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2014

	Trust Fund		Agency Funds	
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 22,873.31	\$ 267.63	\$ 102,761.06	\$ 44,301.70
Investments, at Fair Value:				
Certificates of Deposit	18,458.48			
Total Assets	41,331.79	267.63	\$ 102,761.06	\$ 44,301.70
LIABILITIES:				
Payable to Student Groups			\$ 101,889.46	
Payroll Deductions and Withholdings				\$ 43,692.60
Accounts Payable			871.60	
Interfund Accounts Payable:				
Due to General Fund				62.24
Due to Special Revenue				546.86
Total Liabilities	-	-	\$ 102,761.06	\$ 44,301.70
NET POSITION:				
Reserved for Scholarships	41,331.79			
Reserved for Uniforms		267.63		
Total Net Position	\$ 41,331.79	\$ 267.63		

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 June 30, 2014

	<u>Scholarship Trust</u>	<u>Uniform Trust</u>
ADDITIONS:		
Investment earnings:		
Contributions	\$ 2,971.04	\$ 100.00
Interest and Dividends	179.43	0.12
Net Investment Earnings	<u>3,150.47</u>	<u>100.12</u>
Total Additions	<u>3,150.47</u>	<u>100.12</u>
DEDUCTIONS:		
Scholarships Awarded	<u>1,770.00</u>	
Total Deductions	<u>1,770.00</u>	<u>86.98</u>
Change in Net Position	1,380.47	13.14
Net Position -- July 1	<u>39,951.32</u>	<u>254.49</u>
Net Position -- June 30	<u>\$ 41,331.79</u>	<u>\$ 267.63</u>

CITY OF SALEM SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Salem School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The City of Salem School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K-12 at its three schools. The School District has an approximate enrollment at June 30, 2014 of 1,212.

Beginning with the fiscal year July 1, 2004, the school district was approved as an "Abbott District" as defined in 18A:7F-3, which is a district classified as a special needs district under the "Quality Education Act of 1990, "P.L. 1990, c. 52(C.18A:7D-1 et. Al.) or in the appendix to Raymond Abbott, et. Al. v. Fred G. Burke, et. al. decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394).

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

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 recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. 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 and claims and judgments, are recorded only when payment is due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from non-operating 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. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District maintains the following enterprise funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Fiduciary Funds**

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

Scholarship Trust Fund - Revenues consist of donations, investment gains and losses and interest and dividend income. Expenditures represent scholarships for students which are awarded in accordance with the trust requirements.

Uniform Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent uniforms purchased for students who cannot afford them.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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 taxes.

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at fair market value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

The School District does not possess any infrastructure assets.

Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2014 and 2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

In March 2012, the GASB issued Statement 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. GASBS 66 is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. This Statement is effective for periods beginning after December 15, 2012. The adoption of GASBS 66, however, does not have a material impact on the School District's financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. GASBS 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement is effective for periods beginning after June 15, 2013. The adoption of GASBS 70, however, does not have any impact on the School District's financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. GASBS 67 is to improve the usefulness of pension information included in the general purpose external financial reports (financial reports) of state and local governmental pension plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2013. The School District does not administer any state or local pension plans; therefore, the adoption of GASBS 67 will not have any impact on the School District's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Recently Issued Accounting Pronouncements (Cont'd)**

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASBS 68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. In addition, this Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement is effective for periods beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. GASBS 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement is effective for periods beginning after December 15, 2013. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements and expects the impact to be material when considered in conjunction with the adoption of Statement No. 68.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized.

As of June 30, 2014, the School District's bank balances of \$1,824,333.53 were exposed to custodial credit risk as follows:

Insured	\$ 250,016.93
Uninsured and uncollateralized	59,654.23
Collateralized by securities held by the pledging financial institutions	<u>1,514,662.37</u>
	<u>\$ 1,824,333.53</u>

Note 3: INVESTMENTS

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy to limit its exposure to custodial credit risk. As of June 30, 2014, the School District's investments were exposed to custodial credit risk as follows:

Insured or registered or securitized held by the School District or its agent in the School District's name	<u>\$ 18,458.48</u>
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Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 3: INVESTMENTS (CONT'D)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District has no investment policy that would further limit its exposure to credit risk. As of June 30, 2014, the School District's investments had the following ratings:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	09/14/14	\$ 6,911.55
Certificate of Deposit	10/25/15	1,117.94
Certificate of Deposit	08/20/15	2,250.35
Certificate of Deposit	08/20/15	<u>8,178.64</u>
Total Investments		<u>\$ 18,458.48</u>

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District's investment policies place no limit on the amount the School District may invest in any one issuer. All of the School District's investments are in Certificates of Deposit. These investments are reported in the School District's Scholarship Trust.

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1,000.00 during the fiscal year ending 2001 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Ending Balance June 30, 2013		\$ 1,000.00
Increased by:		
Interest Earnings	\$ 1.00	
Deposits:		
Approved by Board Resolution	<u>200,000.00</u>	
		<u>200,001.00</u>
Ending Balance June 30, 2014		<u>\$ 201,001.00</u>

The June 30, 2014 LRFP balance of local support costs of uncompleted projects at June 30, 2014 is zero.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards		\$ 130,628.10		\$ 130,628.10	\$ 53,861.64	\$ 184,489.74
State Awards	\$ 199,454.85		\$ 221,292.50	420,747.35	729.28	421,476.63
Tax Levy	199,360.08			199,360.08		199,360.08
Fiduciary Funds					19,647.35	19,647.35
Other	400.00			400.00		400.00
Total	\$ 399,214.93	\$ 130,628.10	\$ 221,292.50	\$ 751,135.53	\$ 74,238.27	\$ 825,373.80

Note 6: INVENTORY

Inventory recorded at June 30, 2014 in governmental activities on the government-wide statement of net position, and on the general fund balance sheet is not material and therefore is not reflected in the financial statements at year end.

Inventory recorded at June 30, 2014 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 11,167.96
Supplies	<u>2,181.98</u>
	<u>\$ 13,349.94</u>

Note 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed Construction</u>	<u>Balance June 30, 2014</u>
Governmental Activities:					
Capital Assets not being Depreciated:					
Land	\$ 563,650.00				\$ 563,650.00
Construction in Progress		\$ 779,916.00		\$ (779,916.00)	
Total Capital Assets not being Depreciated	563,650.00	\$ 779,916.00	\$ -	(779,916.00)	563,650.00
Capital Assets, being Depreciated:					
Land Improvements	602,137.15				602,137.15
Building and Improvements	16,381,469.50	189,352.41		779,916.00	17,350,737.91
Equipment	1,765,639.42	29,846.11			1,795,485.53
Total Capital Assets being Depreciated	18,749,246.07	219,198.52	-	779,916.00	19,748,360.59
Less Accumulated Depreciation for:					
Land Improvements	(410,536.89)	(14,679.97)			(425,216.86)
Building and Improvements	(7,879,695.54)	(646,824.85)			(8,526,520.39)
Equipment	(991,493.80)	(150,855.81)			(1,142,349.61)
Total Accumulated Depreciation*	(9,281,726.23)	(812,360.63)	-	-	(10,094,086.86)
Total Capital Assets being Depreciated, Net	9,467,519.84	(593,162.11)	-	779,916.00	9,654,273.73
Governmental Activities Capital Assets, Net	\$ 10,031,169.84	\$ 186,753.89	\$ -	\$ -	\$ 10,217,923.73
Business-Type Activities:					
Equipment	\$ 230,824.60	\$ 27,029.00	\$ (4,100.00)		\$ 253,753.60
Less Accumulated Depreciation	(133,473.31)	(16,096.57)	4,100.00		(145,469.88)
Business-Type Activities Capital Assets, Net	\$ 97,351.29	\$ 10,932.43	\$ -	\$ -	\$ 108,283.72

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Instruction	\$ 29,500.59
Administrative Support	14,193.39
General/Non-Allocated	739,275.52
Operations/Maintenance	29,391.13
Total Depreciation Expense - Governmental Activities	<u>\$ 812,360.63</u>

Note 8: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 23, 2014, the School District issued a State School Aid Anticipation Note in the amount of \$515,134.00, at an annual interest rate of 3.00%, maturing on July 8, 2014. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

The following represents short-term debt activity for the fiscal year ended June 30, 2014:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2014</u>
State School Aid Anticipation Note	\$ 999,862.00	\$ 515,134.00	\$ 999,862.00	\$ 515,134.00

Line of Credit - The School District entered into an agreement on May 7, 2003 with Sun National Bank for a \$1,000,000 line of credit. The purpose of the line of credit is to provide cash in the event a state aid payment is not made until the following school budget year. The line of credit was renewed on May 31, 2014 in the amount of \$1,000,000 and matures May 31, 2015. The interest rate charged for amounts advanced is 3.00%. The School District did not borrow against the line of credit for the fiscal year ended June 30, 2014.

Note 9: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in long-term obligations:

	<u>Principal</u> <u>Outstanding</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal</u> <u>Outstanding</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 2,655,000.00		\$ 230,000.00	\$ 2,425,000.00	\$ 230,000.00
Other Liabilities:					
Compensated Absences	802,593.79	\$ 23,454.63	40,071.73	785,976.69	85,102.82
Governmental Activity Long-Term Liabilities	<u>\$ 3,457,593.79</u>	<u>\$ 23,454.63</u>	<u>\$ 270,071.73</u>	<u>\$ 3,210,976.69</u>	<u>\$ 315,102.82</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while claims and judgment, compensated absences, pension deferral, and postemployment benefits are liquidated by the general fund.

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

Note 9: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable (Cont'd) - On August 20, 2008, the School District issued \$3,670,000.00 general obligation refunding bonds, series 2008 at interest rates varying from 3.00% to 4.50%. Such refunding bonds were issued to advance refund all of the school districts bonds outstanding dated February 15, 1999. The 1999 bonds were originally issued to fund various construction and renovation projects. The final maturity of the refunding bonds is February 15, 2024. The refunding bonds will be paid from property taxes and state aid.

Principal and interest due on bonds outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 230,000.00	\$ 106,843.76	\$ 336,843.76
2016	235,000.00	95,343.76	330,343.76
2017	240,000.00	83,593.76	323,593.76
2018	245,000.00	73,993.76	318,993.76
2019	245,000.00	61,743.76	306,743.76
2020-2024	<u>1,230,000.00</u>	<u>157,950.02</u>	<u>1,387,950.02</u>
	2,425,000.00	<u>\$ 579,468.82</u>	<u>\$ 3,004,468.82</u>
Due Within One Year	<u>(230,000.00)</u>		
Long - Term Portion	<u>\$ 2,195,000.00</u>		

Bonds Authorized but not Issued - As of June 30, 2014, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 10: OPERATING LEASES

At June 30, 2014, the School District had operating lease agreements in effect for digital copiers. The future minimum rental payments under operating lease agreements are as follows:

Fiscal Year Ending June 30,	Amount
2015	\$ 64,347.48
2016	64,347.48
2017	<u>10,724.58</u>
	<u>\$ 139,419.54</u>

Rental payments under operating leases for the fiscal year ended June 30, 2014 were \$71,345.77.

Note 11: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund ("TPAF") is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years, which began July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Note 11: PENSION PLANS (CONT'D)

Public Employees' Retirement System - The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	\$ 47,976.00	\$ 210,931.00	\$ 4,403.00	\$ 263,310.00	\$ 263,310.00
2013	77,013.00	184,139.00	15,543.00	276,695.00	276,695.00
2012	92,891.00	185,782.00	17,755.00	296,428.00	296,428.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program ("DCRP") is a single-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2014	None	None
2013	None	None
2012	\$ 491.22	\$ 491.22

Note 12: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees receiving postemployment medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

Note 12: STATE POST-RETIREMENT MEDICAL BENEFITS (CONT'D)

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in fiscal year 2013.

Note 13: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2014, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement medical costs were \$736,751.00 and \$449,342.00, respectively.

Note 14: RISK MANAGEMENT

The School 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 School District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the School District is required to remit the entire amount of employee and employer unemployment compensation taxes directly to the State of New Jersey on a quarterly basis. Any unemployment benefits regarding former employees would be paid by the State of New Jersey, who retains the risk of loss.

Note 15: DEFERRED COMPENSATION

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

Lincoln Investments
MetLife
Midland National
GWN
LSW

Note 16: COMPENSATED ABSENCES

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

Note 16: COMPENSATED ABSENCES (CONT'D)

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days each year. Unused personal days are transferred as sick days in the subsequent year. Vacation days not used during the year may be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current year's budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2014, the liability for compensated absences reported on the government-wide statement of net position was \$785,976.69. At June 30, 2014 there were no compensated absences in proprietary fund types.

Note 17: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 397,444.63	
Special Revenue	546.86	\$ 190,089.85
Capital Projects		207,292.54
Fiduciary		609.10
	<u>\$ 397,991.49</u>	<u>\$ 397,991.49</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2015, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

There were no budgeted transfers between funds in the current fiscal year.

Note 18: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 20: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,040,961.66 in the General Fund and \$215,892.00 in the Special Revenue Fund, as of June 30, 2014 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,256,853.66 is less than the June state aid payments.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2014.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 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, 2014 is \$206,192.77. Additionally, \$154,358.13 of excess fund balance generated during 2012-2013 has been restricted and designated for utilization in the 2014-2015 budget.

Note 21: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd) -**

For Capital Reserve Account - As of June 30, 2014, the balance in the capital reserve account is \$201,001.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Debt Service Fund - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$1.26 as of June 30, 2014. These funds were derived from the net interest cost savings of refunding bonds. These funds are to be used to retire any outstanding debt service obligation of the School District. The reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2014 \$1,202,871.87 of general fund balance at June 30, 2014.

Other Purposes - As of June 30, 2014, the School District had \$306,526.55 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2014, the fund balance of the general fund was a deficit of \$1,040,961.66, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 22, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$1,040,961.66 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2014, the fund balance of the special revenue fund was a deficit of \$215,892.00 thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 22, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$215,892.00 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Capital Reserve for Local Share less Excess Costs					
Local Sources:					
Ad Valorem Taxes - Local Tax Levy	\$ 2,392,321.00		2,392,321.00	2,392,321.00	
Tuition from Other LEA's Within State	1,953,143.00		1,953,143.00	2,181,600.50	\$ 228,457.50
Interest Earned on Capital Reserve Funds	1.00		1.00	1.00	
Miscellaneous	4,499.00		4,499.00	14,518.41	10,019.41
Total - Local Sources	4,349,964.00	\$ -	4,349,964.00	4,588,440.91	238,476.91
State Sources:					
School Choice Aid	5,612.00		5,612.00	5,612.00	
Extraordinary Aid	79,330.00		79,330.00	162,329.00	82,999.00
Categorical Special Education Aid	538,956.00		538,956.00	538,956.00	
Equalization Aid	13,079,730.00		13,079,730.00	13,079,730.00	
Categorical Security Aid	404,168.00		404,168.00	404,168.00	
Adjustment Aid	2,171,621.00		2,171,621.00	2,171,621.00	
Categorical Transportation Aid	159,661.00		159,661.00	159,661.00	
State Aid Other - Bullying Prevention Fund				746.00	746.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				449,342.00	449,342.00
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				736,751.00	736,751.00
Reimbursed TPAF Social Security (Non-Budgeted)				754,099.52	754,099.52
Total State Sources	16,439,078.00		16,439,078.00	18,463,015.52	2,023,937.52
Federal Sources:					
Impact Aid	25,000.00		25,000.00	15,827.21	(9,172.79)
Medicaid Reimbursement	70,000.00		70,000.00	78,294.50	8,294.50
Total - Federal Sources	95,000.00		95,000.00	94,121.71	(878.29)
Total Revenues	20,884,042.00		20,884,042.00	23,145,578.14	2,261,536.14

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 398,251.00	\$ (800.00)	\$ 397,451.00	\$ 333,172.47	\$ 64,278.53
Grades 1-5 - Salaries of Teachers	1,902,595.00	(68,744.45)	1,833,850.55	1,763,393.20	70,457.35
Grades 6-8 - Salaries of Teachers	982,443.00	19,960.00	1,002,403.00	940,964.21	61,438.79
Grades 9-12 - Salaries of Teachers	2,233,260.00	(25,821.73)	2,207,438.27	1,998,248.41	209,189.86
Regular Programs - Home Instruction:					
Salaries of Teachers	8,400.00		8,400.00	5,887.00	2,513.00
Purchased Professional-Educational Services	14,500.00		14,500.00	13,546.48	953.52
Other Purchased Services (400-500 series)	250.00		250.00		250.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	203,925.00	(1,494.03)	202,430.97	145,604.00	56,826.97
Purchased Professional-Educational Services	20,500.00	2,041.00	22,541.00	11,025.72	11,515.28
Purchased Technical Services	78,828.00	(1,910.90)	76,917.10	58,650.66	18,266.44
Other Purchased Services (400-500 series)	70,700.00	951.45	71,651.45	44,121.27	27,530.18
General Supplies	208,549.80	49,055.42	257,605.22	249,171.39	8,433.83
Textbooks	30,000.00	(21,989.75)	8,010.25	5,876.22	2,134.03
Other Objects	6,543.32	21,002.53	27,545.85	26,789.85	756.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,158,745.12	(27,750.46)	6,130,994.66	5,596,450.88	534,543.78
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	446,440.00	1,473.00	447,913.00	432,976.00	14,937.00
Other Salaries for Instruction	114,133.00	5,196.80	119,329.80	116,373.98	2,955.82
Purchased Technical Services	512.00	(33.34)	478.66		478.66
Other Purchased Services (400-500 series)	3,100.00	4,165.03	7,265.03	976.82	6,288.21
General Supplies	4,250.00	159.57	4,409.57	3,331.89	1,077.68
Textbooks	2,000.00	(2,000.00)			
Other Objects	500.00	(267.83)	232.17	90.00	142.17
Total Multiple Disabilities	570,935.00	8,693.23	579,628.23	553,748.69	25,879.54

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,053,587.00	\$ (11,937.01)	\$ 1,041,649.99	\$ 930,403.99	\$ 111,246.00
Purchased Professional - Educational Services	2,000.00	100.00	2,100.00	2,100.00	
General Supplies	5,150.00	2,332.94	7,482.94	6,199.21	1,283.73
Textbooks	2,000.00	(2,000.00)			
Total Resource Room/Resource Center	1,062,737.00	(11,504.07)	1,051,232.93	938,703.20	112,529.73
Preschool Disabilities - Full-Time:					
Salaries of Teachers	68,179.00	(440.85)	67,738.15	66,379.00	1,359.15
Other Salaries for Instruction	16,218.00	4,559.00	20,777.00	18,419.19	2,357.81
General Supplies	1,000.00	8.85	1,008.85	1,008.85	
Total Preschool Disabilities - Full-Time	85,397.00	4,127.00	89,524.00	85,807.04	3,716.96
Special Education - Home Instruction					
Salaries of Teachers	12,450.00	2,920.00	15,370.00	15,370.00	
Purchased Professional - Educational Services	23,500.00	(2,920.00)	20,580.00	6,221.84	14,358.16
Total Special Education - Home Instruction	35,950.00		35,950.00	21,591.84	14,358.16
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,755,019.00	1,316.16	1,756,335.16	1,599,850.77	156,484.39
Basic Skills/Remedial - Instruction					
Salaries of Teachers	43,409.00	0.32	43,409.32	43,409.32	
Total Basic Skills/Remedial - Instruction	43,409.00	0.32	43,409.32	43,409.32	
Vocational Programs - Local - Instruction					
Salaries of Teachers	315,125.00	(80,781.00)	234,344.00	226,521.00	7,823.00
Purchase Prof/Educ Services		76,875.00	76,875.00	76,590.00	285.00
Other Purchased Services (400-500 series)	4,000.00		4,000.00	2,590.00	1,410.00
General Supplies	15,000.00	(3,000.00)	12,000.00	7,431.46	4,568.54
Textbooks	7,000.00	(5,050.00)	1,950.00		1,950.00
Total Vocational Programs - Local - Instruction	341,125.00	(11,956.00)	329,169.00	313,132.46	16,036.54

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	\$ 31,341.00	\$ 4,939.50	\$ 36,280.50	\$ 36,280.50	\$ -
Purchased Services (300-500 series)	9,498.50	11,395.07	20,893.57	20,893.57	
Supplies and Materials	4,000.00	699.36	4,699.36	3,224.36	1,475.00
Other Objects	1,425.33		1,425.33	1,424.33	1.00
Total School-Spon. Cocurricular Actvts. - Inst.	46,264.83	17,033.93	63,298.76	61,822.76	1,476.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	260,472.00	(30,457.02)	230,014.98	226,602.50	3,412.48
Purchased Services (300-500 series)	29,712.00	40,865.52	70,577.52	68,109.92	2,467.60
Supplies and Materials	45,124.00	3,928.82	49,052.82	47,651.97	1,400.85
Other Objects	7,300.00	1,851.34	9,151.34	8,251.34	900.00
Total School-Spon. Cocurricular Athletics - Inst.	342,608.00	16,188.66	358,796.66	350,615.73	8,180.93
Before/After School Program - Inst.					
Salaries	24,320.00		24,320.00	7,325.50	16,994.50
Salaries of Teachers	2,000.00		2,000.00		2,000.00
Total Before/After School Program - Inst.	26,320.00		26,320.00	7,325.50	18,994.50
Alternative Education Program - Inst.					
Salaries of Teachers	18,500.00	8,982.00	27,482.00	27,482.00	
Salaries	43,800.00	6,445.00	50,245.00	46,845.20	3,399.80
Purchased Prof-Technical Services	30,000.00	5,050.00	35,050.00	35,050.00	
Total Alternative Education Program - Inst.	92,300.00	20,477.00	112,777.00	109,377.20	3,399.80
Community Services Programs/Operations					
Salaries	25,000.00	(25,000.00)			
Purchased Services (300-500 series)		29,166.28	29,166.28	29,166.28	
Supplies and Materials		1,290.24	1,290.24	1,290.24	
Total Community Services Programs/Operations	25,000.00	5,456.52	30,456.52	30,456.52	
Total Instruction	8,830,790.95	20,766.13	8,851,557.08	8,112,441.14	739,115.94
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	49,500.00	(13,731.93)	35,768.07	35,621.99	146.08
Tuition to Other LEAs Within the State - Special	84,708.97	(35,992.20)	48,716.77	33,254.60	15,462.17
Tuition-County Voc. - Regular	11,728.36	18,122.08	29,850.44	29,850.44	
Tuition to Vocational School Districts - Special		3,750.00	3,750.00	3,750.00	
Tuition to CSSD & Regional Day Schools	470,489.00	(26,610.25)	443,878.75	442,877.95	1,000.80
Tuition to Private Schools for the Disabled - Within State	533,031.00	272,869.22	805,900.22	755,900.22	50,000.00
Tuition - State Facilities	263,963.00	(13,666.00)	250,297.00	250,297.00	
Total Undistributed Expenditures - Instruction:	1,413,420.33	204,740.92	1,618,161.25	1,551,552.20	66,609.05

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Attend. & Social Work					
Salaries	\$ 204,141.00	\$ (29,151.88)	\$ 174,989.12	\$ 174,767.29	\$ 221.83
Sal. of Family Liasn & Comm. Parent Involvement Spec.	17,138.00	(1,083.10)	16,054.90	16,054.90	
Other Purchased Services (400-500 series)	4,500.00	(4,500.00)			
Supplies and Materials	2,500.00	(1,059.93)	1,440.07	931.57	508.50
Other Objects	750.00		750.00		750.00
Total Undist. Expend. - Attend. & Social Work	229,029.00	(35,794.91)	193,234.09	191,753.76	1,480.33
Undist. Expend. - Health Services					
Salaries	194,810.00	(3,298.00)	191,512.00	191,503.10	8.90
Purchased Professional and Technical Services	23,500.00	8,028.75	31,528.75	30,472.75	1,056.00
Other Purchased Services (400-500 series)	200.00	(90.00)	110.00		110.00
Supplies and Materials	3,500.00	8,682.76	12,182.76	11,833.76	349.00
Other Objects	75.00	68.50	143.50	143.50	
Total Undist. Expend. - Health Services	222,085.00	13,392.01	235,477.01	233,953.11	1,523.90
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	86,771.00		86,771.00	86,180.00	591.00
Purchased Professional - Educational Services	171,802.50	(39,549.67)	132,252.83	115,405.00	16,847.83
Supplies and Materials	2,000.00		2,000.00		2,000.00
Other Objects	200.00		200.00		200.00
Total Undist. Expend. - Speech, OT, PT & Related Svcs	260,773.50	(39,549.67)	221,223.83	201,585.00	19,638.83
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	220,821.00	(17,954.78)	202,866.22	196,291.28	6,574.94
Purchased Professional - Educational Services	57,500.00		57,500.00	43,727.50	13,772.50
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	278,321.00	(17,954.78)	260,366.22	240,018.78	20,347.44
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	386,450.00	1,875.32	388,325.32	388,260.42	64.90
Salaries of Secretarial and Clerical Assistants	73,396.00	10,316.00	83,712.00	83,711.95	0.05
Other Salaries	60,283.00	(155.60)	60,127.40	60,102.00	25.40
Other Purchased Prof. and Tech. Services	15,395.00	5,478.00	20,873.00	16,973.00	3,900.00
Other Purchased Services (400-500 series)	3,418.62	651.55	4,070.17	4,070.17	
Supplies and Materials	23,600.00	7,157.55	30,757.55	29,687.92	1,069.63
Other Objects	300.00	140.00	440.00	440.00	
Total Undist. Expend. - Guidance	562,842.62	25,462.82	588,305.44	583,245.46	5,059.98

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	\$ 425,593.00	\$ (71,240.64)	\$ 354,352.36	\$ 353,455.43	\$ 896.93
Salaries of Secretarial and Clerical Assistants	74,043.00	499.92	74,542.92	74,542.92	
Purchased Professional - Educational Services		59,025.00	59,025.00	59,025.00	
Other Purchased Prof. and Tech. Services	16,781.00	8,950.00	25,731.00	23,781.00	1,950.00
Mis. Purchase Serv. (400-500 series other than Residential Costs)	10,750.00	(1,804.93)	8,945.07	8,945.07	
Supplies and Materials	7,785.00	(3,195.07)	4,589.93	4,218.85	371.08
Other Objects	500.00	(500.00)			
Total Undist. Expend. - Child Study Teams	535,452.00	(8,265.72)	527,186.28	523,968.27	3,218.01
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Other Professional Staff	99,746.00		99,746.00	99,745.92	0.08
Salaries of Secr and Clerical Assist.	39,071.00	(3,588.68)	35,482.32	35,482.32	
Other Salaries	14,250.00	(10,605.55)	3,644.45	1,820.00	1,824.45
Other Purch Services (400-500)	6,000.00	(1,607.12)	4,392.88	4,392.88	
Supplies and Materials	5,750.00	(4,298.37)	1,451.63	901.63	550.00
Other Objects	2,750.00	(610.65)	2,139.35	2,139.35	
Total Undist. Expend. - Improvement of Inst. Serv.	167,567.00	(20,710.37)	146,856.63	144,482.10	2,374.53
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	209,428.00	4,343.61	213,771.61	211,158.33	2,613.28
Salaries of Technology Coordinators	167,190.00		167,190.00	166,678.76	511.24
Purchased Professional and Technical Services	2,750.00	(910.61)	1,839.39	561.60	1,277.79
Supplies and Materials	7,750.00	3,243.96	10,993.96	10,133.43	860.53
Other Objects		50.00	50.00	50.00	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	387,118.00	6,726.96	393,844.96	388,582.12	5,262.84
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Servic	28,565.00	18,757.60	47,322.60	43,633.91	3,688.69
Other Purchased Services (400-500 series)	11,500.00	16,891.36	28,391.36	27,257.52	1,133.84
Supplies and Materials	10,245.00	(3,484.87)	6,760.13	5,617.02	1,143.11
Other Objects	1,750.00		1,750.00	800.00	950.00
Total Undist. Expend. - Instructional Staff Training Serv.	52,060.00	32,164.09	84,224.09	77,308.45	6,915.64

(Continued)

CITY OF SALEM SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	\$ 186,885.00	\$ (5,247.40)	\$ 181,637.60	\$ 181,613.74	\$ 23.86
Legal Services	52,000.00	29,711.12	81,711.12	56,711.12	25,000.00
Audit Fees	42,500.00	(1,500.00)	41,000.00	41,000.00	
Architectural/Engineering Services	18,127.00	215.00	18,087.50	215.00	2,162.50
Other Purchased Professional Services	14,500.00	36,372.50	50,872.50	50,872.50	
Communications/Telephone	16,636.80	(6,098.64)	10,538.16	10,538.16	
BOE Other Purchased Services	76,844.00	18,583.00	95,427.00	95,427.00	
Other Purchased Services (400-500 series)	3,890.00	(1,901.47)	1,988.53	1,988.53	
Supplies and Materials	1,575.00	2,329.50	3,904.50	3,904.50	
BOE In-House Training/Meeting Supplies	21,750.00	3,340.00	25,090.00	5,090.00	20,000.00
Judgements Against The School District	3,975.00	246.54	4,221.54	4,221.54	
Miscellaneous Expenditures	13,500.00	(2,621.55)	10,878.45	10,878.45	
BOE Membership Dues and Fees					
Total Undist. Expend. - Supp. Serv. - General Admin.	452,182.80	73,389.10	525,571.90	478,385.54	47,186.36
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	580,406.00	(42,525.51)	537,880.49	528,555.78	9,324.71
Salaries of Other Professional Staff	206,646.00		206,646.00	206,646.00	
Salaries of Secretarial and Clerical Assistants	100,737.00	(8,281.75)	92,455.25	87,449.95	5,005.30
Purchased Professional and Technical Services	950.00		950.00	950.00	950.00
Other Purchased Services (400-500 series)	7,682.00	1,788.06	9,470.06	7,362.54	2,107.52
Supplies and Materials	17,500.00	(3,780.32)	13,719.68	11,499.94	2,219.74
Other Objects	5,800.00	523.00	6,323.00	5,679.50	643.50
Total Undist. Expend. - Support Serv. - School Admin.	919,721.00	(52,276.52)	867,444.48	847,193.71	20,250.77
Undistributed Expenditures - Central Services					
Salaries	259,813.00	(906.88)	258,906.12	255,107.34	3,798.78
Purchased Professional Services	16,610.00	(2,960.50)	13,649.50	13,649.50	
Misc. Purch. Services (400-500 Series)	8,825.00	(117.60)	8,707.40	7,895.06	812.34
Supplies and Materials	7,876.75	(2,902.12)	4,974.63	4,791.63	183.00
Miscellaneous Expenditures	1,850.00	(281.00)	1,569.00	1,526.00	43.00
Total Undist. Expend. - Central Services	294,974.75	(7,168.10)	287,806.65	282,969.53	4,837.12
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	68,285.01	121,152.00	189,437.01	91,841.15	97,595.86
General Supplies	40,434.16	(5,738.63)	34,695.53	31,156.14	3,539.39
Total Undist. Expend. -Required Maintenance for School Facilities	108,719.17	115,413.37	224,132.54	122,997.29	101,135.25

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 864,420.00	\$ (80,243.06)	\$ 784,176.94	\$ 783,191.75	\$ 985.19
Purchased Professional and Technical Services	49,630.00	(13,940.86)	35,689.14	33,124.14	2,565.00
Cleaning, Repair and Maintenance Services	55,000.00	(14,201.62)	40,798.38	40,798.38	
Rental of Land, Building & Other than Lease Purchases	3,500.00	(2,851.78)	648.22	648.22	
Other Purchased Property Services	35,000.00	2,377.23	37,377.23	37,377.23	
Insurance	103,034.00	(5,089.00)	97,945.00	97,945.00	
Miscellaneous Purchased Services	13,500.00	(12,490.20)	1,009.80	1,009.80	
General Supplies	148,252.81	81,875.65	230,128.46	218,297.24	11,831.22
Energy - Natural Gas	99,500.00	(30,788.92)	68,711.08	68,711.08	
Energy - Electricity	625,850.00	42,494.23	668,344.23	668,344.23	
Other Objects	750.00	(237.00)	513.00	513.00	
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,998,436.81	(33,095.33)	1,965,341.48	1,949,960.07	15,381.41
Total Undist. Expend. - Oper. & Maint. Of Plant	2,107,155.98	82,318.04	2,189,474.02	2,072,957.36	116,516.66
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	61,809.00	(4,856.83)	56,952.17	56,949.30	2.87
Purchased Professional and Technical Services	1,500.00	(1,042.10)	457.90	440.00	17.90
Cleaning, Repair and Maintenance Services	12,500.00	(1,973.36)	10,526.64	10,526.64	
General Supplies	27,953.54	3,920.46	31,874.00	31,874.00	
Total Undist. Expend. - Care and Upkeep of Grounds	103,762.54	(3,951.83)	99,810.71	99,789.94	20.77
Undist. Expend. - Security					
Salaries	77,315.00	1,957.31	79,272.31	79,025.00	247.31
Purchased Professional and Technical Services	93,500.00	3,380.70	96,880.70	96,880.70	
General Supplies	2,150.00	15,091.09	17,241.09	17,241.09	
Other Objects		40.00	40.00	40.00	
Total Undist. Expend. - Security	172,965.00	20,469.10	193,434.10	193,186.79	247.31
Undist. Expend. - Student Transportation Serv.					
Other Purchased Prof. and Tech. Services		145.00	145.00	145.00	
Contract Serv (Aid in Lieu of Payment - Choice School)	29,550.00	16,860.00	46,410.00	46,410.00	
Contract Services (Other than Between Home & School)-Vendors	133,075.00	12,330.95	145,405.95	132,145.94	13,260.01
Contract Services - (Between Home and Sch) - Joint Agrmts	52,000.00	(25,536.80)	26,463.20	26,463.20	
Contr Serv (Spl. Ed. Students) - Joint Agrmt	560,711.25	18,601.80	579,313.05	574,435.80	4,877.25
General Supplies	500.00	(335.74)	164.26	164.26	
Total Undist. Expend. - Student Transportation Serv.	775,836.25	22,065.21	797,901.46	779,764.20	18,137.26

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 260,400.60		\$ 260,400.60	235,905.47	\$ 24,495.13
Other Retirement Contributions - PERS	335,000.00	(60,431.36)	274,568.64	274,568.64	
Unemployment Compensation	55,000.00	2,165.20	57,165.20	54,131.97	3,033.23
Workmen's Compensation	187,039.00	(25,811.04)	161,227.96	161,220.46	7.50
Health Benefits	2,996,732.00	(269,927.37)	2,726,804.63	2,541,032.91	185,771.72
Tuition Reimbursement	20,000.00	(10,961.61)	9,038.39	8,190.00	848.39
Other Employee Benefits	342,334.00	47,068.70	389,402.70	298,697.32	90,705.38
TOTAL UNALLOCATED BENEFITS	4,196,505.60	(317,897.48)	3,878,608.12	3,573,746.77	304,861.35
On-Behalf Contributions					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				449,342.00	(449,342.00)
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)				736,751.00	(736,751.00)
Reimbursed TPAF Social Security (Non-Budgeted)				754,099.52	(754,099.52)
TOTAL ON-BEHALF CONTRIBUTIONS				1,940,192.52	(1,940,192.52)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,196,505.60	(317,897.48)	3,878,608.12	5,513,939.29	(1,635,331.17)
TOTAL UNDISTRIBUTED EXPENDITURES	13,131,772.37	(22,841.13)	13,108,931.24	14,404,635.61	(1,295,704.37)
TOTAL GENERAL CURRENT EXPENSE	21,962,563.32	(2,075.00)	21,960,488.32	22,517,076.75	(556,588.43)
CAPITAL OUTLAY					
Undistributed Expenditures:					
Care and Upkeep of Grounds		2,075.00	2,075.00	2,075.00	
Security	17,899.20		17,899.20	17,899.20	
Architect/Engineer Serv	50,128.35		50,128.35	8,026.33	42,102.02
Construction Service	387,773.85		387,773.85	176,331.08	211,442.77
Total Equipment	455,801.40	2,075.00	457,876.40	204,331.61	253,544.79
Interest Deposit to Capital Reserve	1.00		1.00	1.00	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL CAPITAL OUTLAY	\$ 455,802.40	\$ 2,075.00	\$ 457,877.40	\$ 204,332.61	\$ 253,544.79
Transfer of Funds to Charter School					
TOTAL EXPENDITURES	22,418,365.72		22,418,365.72	22,721,409.36	(303,043.64)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,534,323.72)	-	(1,534,323.72)	424,168.78	1,958,492.50
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(13,861,592.00)	130,234.84	(13,731,357.16)	(12,864,831.96)	(866,525.20)
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	13,861,592.00	(130,234.84)	13,731,357.16	12,864,831.96	866,525.20
Total Other Financing Sources (Uses):					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,534,323.72)	-	(1,534,323.72)	424,168.78	1,958,492.50
Fund Balance, July 1	2,145,404.88		2,145,404.88	2,145,404.88	
Fund Balance, June 30	\$ 611,081.16	\$ -	\$ 611,081.16	\$ 2,569,573.66	\$ 1,958,492.50
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 201,001.00	
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures				154,358.13	
Excess Surplus - Current Year				206,192.77	
Assigned:					
Designated for Subsequent Year's Expenditures				1,202,871.87	
Other Purposes - Funds 11 - 13				252,251.82	
Other Purposes - Fund 15				54,274.73	
Unassigned				498,623.34	
Reconciliation to Governmental Funds Statements(GAAP):				2,569,573.66	
Last State Aid Payment Not recognized on GAAP Basis				(1,539,585.00)	
	\$			\$	\$
					1,029,988.66

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL			
	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	
REVENUES:																
Capital Reserve for Local Share Less Excess Costs																
Local Sources:																
Ad Valorem Taxes - Local Tax Levy	2,392,321.00		2,392,321.00		2,392,321.00		2,392,321.00		2,392,321.00		2,392,321.00		2,392,321.00		2,392,321.00	
Ad Valorem Taxes - Local Tax Levy	1,953,143.00		1,953,143.00		1,953,143.00		1,953,143.00		1,953,143.00		1,953,143.00		1,953,143.00		1,953,143.00	
Ad Valorem Taxes - Other LEA's Within State	4,498.00		4,498.00		4,498.00		4,498.00		4,498.00		4,498.00		4,498.00		4,498.00	
Interest Earned on Capital Reserve Funds																
Miscellaneous																
Total - Local Sources	4,349,964.00	-	4,349,964.00	\$	4,349,964.00	\$	4,349,964.00	\$	4,349,964.00	\$	4,349,964.00	\$	4,349,964.00	-	4,588,440.91	
State Sources:																
School Choice Aid	5,612.00		5,612.00		5,612.00		5,612.00		5,612.00		5,612.00		5,612.00		5,612.00	
Extraordinary Aid	79,330.00		79,330.00		79,330.00		79,330.00		79,330.00		79,330.00		79,330.00		79,330.00	
Categorical Special Education Aid	538,956.00		538,956.00		538,956.00		538,956.00		538,956.00		538,956.00		538,956.00		538,956.00	
Equalization Aid	13,079,730.00		13,079,730.00		13,079,730.00		13,079,730.00		13,079,730.00		13,079,730.00		13,079,730.00		13,079,730.00	
Categorical Security Aid	404,168.00		404,168.00		404,168.00		404,168.00		404,168.00		404,168.00		404,168.00		404,168.00	
Adjustment Aid	2,171,621.00		2,171,621.00		2,171,621.00		2,171,621.00		2,171,621.00		2,171,621.00		2,171,621.00		2,171,621.00	
Categorical Transportation Aid	159,661.00		159,661.00		159,661.00		159,661.00		159,661.00		159,661.00		159,661.00		159,661.00	
State Aid Other - Bullying Prevention Fund																
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)																
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)																
Reimursed TPAF Social Security (Non-Budgeted)																
Total State Sources	16,439,078.00	-	16,439,078.00	-	16,439,078.00	-	16,439,078.00	-	16,439,078.00	-	16,439,078.00	-	16,439,078.00	-	18,463,015.52	
Federal Sources:																
Impact Aid	25,000.00		25,000.00		25,000.00		25,000.00		25,000.00		25,000.00		25,000.00		25,827.21	
Medicaid Reimbursement	70,000.00		70,000.00		70,000.00		70,000.00		70,000.00		70,000.00		70,000.00		78,294.50	
Total - Federal Sources	95,000.00	-	95,000.00	-	95,000.00	-	95,000.00	-	95,000.00	-	95,000.00	-	95,000.00	-	94,121.71	
Total Revenues	20,884,042.00	-	20,884,042.00	-	20,884,042.00	-	20,884,042.00	-	20,884,042.00	-	20,884,042.00	-	23,145,578.14	-	23,145,578.14	
EXPENDITURES:																
Current Expense:																
Regular Programs - Instruction																
Kindergarten - Instructors	399,251.00		399,251.00	(600.00)	397,451.00		397,451.00		397,451.00		397,451.00		397,451.00		339,172.47	
Grades K-5 - Salaries of Teachers	1,892,433.00		1,892,433.00	(69,574.00)	1,822,859.00		1,822,859.00		1,822,859.00		1,822,859.00		1,822,859.00		1,822,859.00	
Grades 6-8 - Salaries of Teachers	892,433.00		892,433.00	(19,469.00)	872,964.00		872,964.00		872,964.00		872,964.00		872,964.00		1,049,984.21	
Grades 9-12 - Salaries of Teachers	2,233,260.00		2,233,260.00	(25,821.73)	2,207,438.27		2,207,438.27		2,207,438.27		2,207,438.27		2,207,438.27		1,996,248.41	
Regular Programs - Home Instruction:																
Salaries of Teachers	8,400.00		8,400.00		8,400.00		8,400.00		8,400.00		8,400.00		8,400.00		5,887.00	
Purchased Professional-Educational Services	14,500.00		14,500.00		14,500.00		14,500.00		14,500.00		14,500.00		13,546.48		13,546.48	
Other Purchased Services (400-500 series)	250.00		250.00		250.00		250.00		250.00		250.00		250.00		250.00	
Regular Programs - Undistributed Instruction																
Other Salaries for Instruction	203,925.00		203,925.00	(1,494.03)	202,430.97		202,430.97		202,430.97		202,430.97		202,430.97		145,604.00	
Purchased Professional-Educational Services	20,500.00		20,500.00	2,041.00	22,541.00		22,541.00		22,541.00		22,541.00		22,541.00		11,025.72	
Other Purchased Services	78,828.00		78,828.00	(1,910.90)	76,917.10		76,917.10		76,917.10		76,917.10		76,917.10		58,650.66	
Other Purchased Services (400-500 series)	70,700.00		70,700.00	951.45	71,651.45		71,651.45		71,651.45		71,651.45		71,651.45		44,121.27	
General Supplies	208,549.80		208,549.80	49,055.42	257,605.22		257,605.22		257,605.22		257,605.22		257,605.22		249,171.39	
Textbooks	30,000.00		30,000.00	(21,989.75)	8,010.25		8,010.25		8,010.25		8,010.25		8,010.25		5,876.22	
Other Objects	6,543.32		6,543.32	21,022.53	27,565.85		27,565.85		27,565.85		27,565.85		27,565.85		26,789.85	
TOTAL REGULAR PROGRAMS - INSTRUCTION	23,150.00	6,135,595.12	6,158,745.12	(27,750.46)	6,107,844.66	6,130,994.66	6,130,994.66	6,130,994.66	6,107,844.66	6,130,994.66	6,130,994.66	6,130,994.66	19,433.48	5,577,017.40	5,596,450.88	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	ORIGINAL BUDGET					BUDGET TRANSFERS					FINAL BUDGET					ACTUAL				
	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		
SPECIAL EDUCATION - INSTRUCTION																				
Multiple Disabilities:																				
Salaries of Teachers	\$	446,440.00	\$	446,440.00	\$	1,473.00	\$	1,473.00	\$	447,913.00	\$	447,913.00	\$	432,976.00	\$	432,976.00	\$	432,976.00		
Other Salaries for Instruction		114,133.00		114,133.00		5,196.80		5,196.80		119,329.80		119,329.80		116,373.98		116,373.98		116,373.98		
Purchased Technical Services		512.00		512.00		(33.34)		(33.34)		478.66		478.66		976.82		976.82		976.82		
Other Purchased Services (400-500 series)		3,100.00		3,100.00		4,165.03		4,165.03		7,265.03		7,265.03		3,331.89		3,331.89		3,331.89		
General Supplies		4,250.00		4,250.00		159.57		159.57		4,409.57		4,409.57		90.00		90.00		90.00		
Textbooks		2,000.00		2,000.00		(2,000.00)		(2,000.00)		232.17		232.17		555,748.69		555,748.69		555,748.69		
Other Objects		500.00		500.00		(267.63)		(267.63)		232.37		232.37		938,703.20		938,703.20		938,703.20		
Total Multiple Disabilities	\$	570,935.00	\$	570,935.00	\$	8,693.23	\$	8,693.23	\$	579,628.23	\$	579,628.23	\$	555,748.69	\$	555,748.69	\$	555,748.69		
Resource Room/Resource Center:																				
Salaries of Teachers		1,053,587.00		1,053,587.00		(11,937.01)		(11,937.01)		1,041,649.99		1,041,649.99		930,403.99		930,403.99		930,403.99		
Purchase Professional - Educational Services		2,000.00		2,000.00		100.00		100.00		2,100.00		2,100.00		2,100.00		2,100.00		2,100.00		
General Supplies		2,000.00		2,000.00		2,332.94		2,332.94		7,482.94		7,482.94		6,199.21		6,199.21		6,199.21		
Textbooks		2,000.00		2,000.00		(2,000.00)		(2,000.00)		2,000.00		2,000.00		1,999.21		1,999.21		1,999.21		
Total Resource Room/Resource Center	\$	1,062,737.00	\$	1,062,737.00	\$	(11,504.07)	\$	(11,504.07)	\$	1,051,232.93	\$	1,051,232.93	\$	938,703.20	\$	938,703.20	\$	938,703.20		
Preschool Disabilities - Full-Time:																				
Salaries of Teachers		68,179.00		68,179.00		(440.85)		(440.85)		67,738.15		67,738.15		66,379.00		66,379.00		66,379.00		
Other Salaries for Instruction		16,218.00		16,218.00		4,559.00		4,559.00		20,777.00		20,777.00		18,419.19		18,419.19		18,419.19		
General Supplies		1,000.00		1,000.00		8.85		8.85		1,008.85		1,008.85		1,008.85		1,008.85		1,008.85		
Total Preschool Disabilities - Full-Time	\$	85,397.00	\$	85,397.00	\$	4,127.00	\$	4,127.00	\$	89,524.00	\$	89,524.00	\$	85,807.04	\$	85,807.04	\$	85,807.04		
Special Education - Home Instruction																				
Salaries of Teachers		12,450.00		12,450.00		2,920.00		2,920.00		15,370.00		15,370.00		15,370.00		15,370.00		15,370.00		
Purchase Professional - Educational Services		23,500.00		23,500.00		(2,920.00)		(2,920.00)		20,580.00		20,580.00		6,221.84		6,221.84		6,221.84		
General Supplies		35,950.00		35,950.00		-		-		35,950.00		35,950.00		21,591.84		21,591.84		21,591.84		
Total Special Education - Home Instruction	\$	71,900.00	\$	71,900.00	\$	0.00	\$	0.00	\$	71,900.00	\$	71,900.00	\$	43,409.32	\$	43,409.32	\$	43,409.32		
TOTAL SPECIAL EDUCATION - INSTRUCTION	\$	1,719,069.00	\$	1,719,069.00	\$	1,316.16	\$	1,316.16	\$	1,720,385.16	\$	1,720,385.16	\$	1,578,258.93	\$	1,578,258.93	\$	1,578,258.93		
Basic Skills/Remedial - Instruction																				
Salaries of Teachers		49,409.00		49,409.00		0.32		0.32		49,409.32		49,409.32		49,409.32		49,409.32		49,409.32		
Total Basic Skills/Remedial - Instruction	\$	49,409.00	\$	49,409.00	\$	0.32	\$	0.32	\$	49,409.32	\$	49,409.32	\$	49,409.32	\$	49,409.32	\$	49,409.32		
Vocational Programs - Local - Instruction																				
Salaries of Teachers		315,125.00		315,125.00		(80,781.00)		(80,781.00)		234,344.00		234,344.00		226,521.00		226,521.00		226,521.00		
Purchase Prof Educ Services		4,000.00		4,000.00		76,875.00		76,875.00		80,875.00		80,875.00		76,980.00		76,980.00		76,980.00		
Other Purchased Services (400-500 series)		15,000.00		15,000.00		(3,000.00)		(3,000.00)		12,000.00		12,000.00		2,980.00		2,980.00		2,980.00		
General Supplies		7,000.00		7,000.00		(5,050.00)		(5,050.00)		1,950.00		1,950.00		7,491.46		7,491.46		7,491.46		
Textbooks		341,125.00		341,125.00		(11,956.00)		(11,956.00)		329,169.00		329,169.00		313,132.46		313,132.46		313,132.46		
Total Vocational Programs - Local - Instruction	\$	782,250.00	\$	782,250.00	\$	(80,781.00)	\$	(80,781.00)	\$	701,464.00	\$	701,464.00	\$	647,084.46	\$	647,084.46	\$	647,084.46		
School-Spon, Cocurricular Activs. - Inst.																				
Salaries		31,341.00		31,341.00		4,939.50		4,939.50		36,280.50		36,280.50		36,280.50		36,280.50		36,280.50		
Purchased Services (300-500 series)		9,498.50		9,498.50		11,395.07		11,395.07		20,893.57		20,893.57		20,893.57		20,893.57		20,893.57		
Supplies and Materials		4,000.00		4,000.00		699.36		699.36		4,699.36		4,699.36		3,224.36		3,224.36		3,224.36		
Other Objects		1,425.33		1,425.33		1,425.33		1,425.33		1,425.33		1,425.33		1,424.33		1,424.33		1,424.33		
Total School-Spon, Cocurricular Activs. - Inst.	\$	46,264.83	\$	46,264.83	\$	17,033.93	\$	17,033.93	\$	63,298.76	\$	63,298.76	\$	61,822.76	\$	61,822.76	\$	61,822.76		
School-Spon, Cocurricular Athletics - Inst.																				
Salaries		260,472.00		260,472.00		(30,457.02)		(30,457.02)		230,014.98		230,014.98		226,602.50		226,602.50		226,602.50		
Purchased Services (300-500 series)		28,712.00		28,712.00		40,659.82		40,659.82		70,371.82		70,371.82		65,109.82		65,109.82		65,109.82		
Supplies and Materials		1,110.00		1,110.00		1,065.82		1,065.82		2,175.82		2,175.82		1,851.34		1,851.34		1,851.34		
Other Objects		7,300.00		7,300.00		1,851.34		1,851.34		9,151.34		9,151.34		8,251.34		8,251.34		8,251.34		
Total School-Spon, Cocurricular Athletics - Inst.	\$	342,600.00	\$	342,600.00	\$	16,188.66	\$	16,188.66	\$	358,796.66	\$	358,796.66	\$	350,615.73	\$	350,615.73	\$	350,615.73		

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL			
	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	
Undist. Expend. - Child Study Teams	\$ 425,593.00	\$ -	\$ 425,593.00	\$ (71,240.64)	\$ -	\$ (71,240.64)	\$ 354,352.36	\$ -	\$ 354,352.36	\$ 353,455.43	\$ -	\$ 353,455.43	\$ 353,455.43	\$ -	\$ 353,455.43	
Salaries of Other Professional Staff	74,943.00		74,943.00	499.92		75,442.92	74,542.92		74,542.92	74,542.92		74,542.92	74,542.92		74,542.92	
Salaries of Secretarial and Clerical Assistants	16,781.00		16,781.00	8,950.00		25,731.00	23,781.00		25,731.00	23,781.00		25,731.00	23,781.00		23,781.00	
Purchased Professional - Educational Services	10,750.00		10,750.00	(1,804.93)		8,945.07	8,945.07		8,945.07	8,945.07		8,945.07	8,945.07		8,945.07	
Misc. Purchase Serv. (400-500 series)	7,785.00		7,785.00	(3,195.07)		4,589.93	4,589.93		4,589.93	4,589.93		4,589.93	4,589.93		4,589.93	
Supplies and Materials	500.00		500.00	600.00		1,100.00	600.00		600.00	600.00		600.00	600.00		600.00	
Other Objects																
Total Undist. Expend. - Child Study Teams	535,452.00	\$ -	\$ 535,452.00	(8,285.72)	\$ -	\$ (8,285.72)	527,166.28	\$ -	\$ 527,166.28	523,968.27	\$ -	\$ 523,968.27	523,968.27	\$ -	\$ 523,968.27	
Undist. Expend. - Improvement of Inst. Serv.	99,746.00		99,746.00	(3,588.68)		96,157.32	99,746.00		99,746.00	99,746.00		99,746.00	99,746.00		99,746.00	
Salaries of Other Professional Staff	39,071.00		39,071.00	3,907.00		43,078.00	35,482.32		35,482.32	35,482.32		35,482.32	35,482.32		35,482.32	
Salaries of Secretarial and Clerical Assistants	14,250.00		14,250.00	(10,605.55)		3,644.45	3,644.45		3,644.45	3,644.45		3,644.45	3,644.45		3,644.45	
Other Salaries	6,000.00		6,000.00	(1,607.12)		4,392.88	4,392.88		4,392.88	4,392.88		4,392.88	4,392.88		4,392.88	
Other Purch Services (400-500)	2,250.00		2,250.00	(1,348.37)		901.63	901.63		901.63	901.63		901.63	901.63		901.63	
Supplies and Materials	2,750.00		2,750.00	(610.65)		2,139.35	2,139.35		2,139.35	2,139.35		2,139.35	2,139.35		2,139.35	
Other Objects																
Total Undist. Expend. - Improvement of Inst. Serv.	149,817.00	17,750.00	167,567.00	(7,154.82)	(9,555.55)	(20,710.37)	142,662.18	4,194.45	146,856.63	142,662.10	1,820.00	144,482.10	144,482.10	1,820.00	146,302.10	
Undist. Expend. - Edu. Media Serv./Sch. Library	209,428.00		209,428.00	4,343.61		213,771.61	213,771.61		213,771.61	213,771.61		213,771.61	213,771.61		213,771.61	
Salaries	167,190.00		167,190.00	(910.61)		166,279.39	167,190.00		167,190.00	166,279.39		166,279.39	166,279.39		166,279.39	
Salaries of Technology Coordinators	7,750.00		7,750.00	3,243.96		10,993.96	10,993.96		10,993.96	10,993.96		10,993.96	10,993.96		10,993.96	
Purchased Professional and Technical Services	2,750.00		2,750.00	50.00		3,200.00	3,200.00		3,200.00	3,200.00		3,200.00	3,200.00		3,200.00	
Supplies and Materials	7,750.00		7,750.00	3,243.96		10,993.96	10,993.96		10,993.96	10,993.96		10,993.96	10,993.96		10,993.96	
Other Objects																
Total Undist. Expend. - Edu. Media Serv./Sch. Library	387,118.00	387,118.00	387,118.00	6,726.96	-	393,844.96	393,844.96	-	393,844.96	393,844.96	-	393,844.96	393,844.96	-	393,844.96	
Undist. Expend. - Instructional Staff Training Serv.	5,565.00		5,565.00	(5,267.08)		297.92	297.92		297.92	297.92		297.92	297.92		297.92	
Purchased Professional - Educational Service	500.00		500.00	16,891.36		17,391.36	16,891.36		16,891.36	16,891.36		16,891.36	16,891.36		16,891.36	
Other Purch Services (400-500 series)	6,500.00		6,500.00	(3,991.30)		2,508.70	2,508.70		2,508.70	2,508.70		2,508.70	2,508.70		2,508.70	
Supplies and Materials	1,750.00		1,750.00	506.43		2,256.43	2,256.43		2,256.43	2,256.43		2,256.43	2,256.43		2,256.43	
Other Objects																
Total Undist. Expend. - Instructional Staff Training Serv.	14,315.00	37,745.00	52,060.00	(9,258.38)	41,422.47	32,164.09	5,056.62	79,167.47	84,224.09	5,056.65	79,792.60	84,224.09	79,792.60	5,056.65	89,846.25	
Undist. Expend. - Supp. Serv. - General Admin.	186,885.00		186,885.00	(5,247.40)		181,637.60	181,637.60		181,637.60	181,637.60		181,637.60	181,637.60		181,637.60	
Salaries	52,000.00		52,000.00	29,711.12		81,711.12	81,711.12		81,711.12	81,711.12		81,711.12	81,711.12		81,711.12	
Legal Services	42,500.00		42,500.00	(1,500.00)		41,000.00	41,000.00		41,000.00	41,000.00		41,000.00	41,000.00		41,000.00	
Audit Fees	18,127.00		18,127.00	218.00		18,345.00	18,345.00		18,345.00	18,345.00		18,345.00	18,345.00		18,345.00	
Architectural/Engineering Services	14,500.00		14,500.00	3,972.50		18,472.50	18,472.50		18,472.50	18,472.50		18,472.50	18,472.50		18,472.50	
Char. Services	16,638.80		16,638.80	(6,098.64)		10,540.16	10,540.16		10,540.16	10,540.16		10,540.16	10,540.16		10,540.16	
Computerized Telephone Services	76,844.00		76,844.00	18,583.00		95,427.00	95,427.00		95,427.00	95,427.00		95,427.00	95,427.00		95,427.00	
BOE Other Purchased Services	3,890.00		3,890.00	(1,901.47)		1,988.53	1,988.53		1,988.53	1,988.53		1,988.53	1,988.53		1,988.53	
Miscellaneous Purchased Services	1,575.00		1,575.00	2,329.50		3,904.50	3,904.50		3,904.50	3,904.50		3,904.50	3,904.50		3,904.50	
Supplies and Materials	21,750.00		21,750.00	3,340.00		25,090.00	25,090.00		25,090.00	25,090.00		25,090.00	25,090.00		25,090.00	
BOE In-House Training/Meeting Supplies	3,975.00		3,975.00	246.54		4,221.54	4,221.54		4,221.54	4,221.54		4,221.54	4,221.54		4,221.54	
Judgements Against The School District	13,500.00		13,500.00	(2,621.55)		10,878.45	10,878.45		10,878.45	10,878.45		10,878.45	10,878.45		10,878.45	
Miscellaneous Expenditures																
BOE Membership Dues and Fees																
Total Undist. Expend. - Supp. Serv. - General Admin.	452,182.80	-	452,182.80	(73,988.10)	-	378,194.70	525,571.90	-	525,571.90	478,955.54	-	478,955.54	478,955.54	-	478,955.54	
Undist. Expend. - Support Serv. - School Admin.	509,406.00		509,406.00	(42,525.51)		466,880.49	466,880.49		466,880.49	466,880.49		466,880.49	466,880.49		466,880.49	
Salaries of Principals/Assistant Principals	206,640.00		206,640.00	(8,281.75)		198,358.25	198,358.25		198,358.25	198,358.25		198,358.25	198,358.25		198,358.25	
Salaries of Secretarial and Clerical Assistants	100,737.00		100,737.00	950.00		101,687.00	103,782.00		103,782.00	103,782.00		103,782.00	103,782.00		103,782.00	
Purchased Professional and Technical Services	950.00		950.00	1,788.06		2,738.06	2,738.06		2,738.06	2,738.06		2,738.06	2,738.06		2,738.06	
Other Purch Services (400-500 series)	1,450.00		1,450.00	(3,780.32)		(2,330.32)	1,450.00		1,450.00	1,450.00		1,450.00	1,450.00		1,450.00	
Supplies and Materials	1,250.00		1,250.00	5,800.00		7,050.00	7,050.00		7,050.00	7,050.00		7,050.00	7,050.00		7,050.00	
Other Objects																
Total Undist. Expend. - Support Serv. - School Admin.	107,432.00	812,289.00	919,721.00	(52,276.52)	-	867,444.48	1,017,432.00	760,012.48	867,444.48	1,017,432.00	749,445.75	847,193.71	847,193.71	749,445.75	847,193.71	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL			
	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Total	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Total	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Total	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	Total
Undistributed Expenditures - Central Services																
Salaries	259,813.00	\$	259,813.00	\$	(906.88)	\$	(906.88)	\$	258,906.12	\$	258,906.12	\$	255,107.34		\$	255,107.34
Purchased Professional Services	16,610.00		16,610.00		(2,980.50)		(2,980.50)		13,649.50		13,649.50		13,649.50			13,649.50
Misc. Purch. Services (400-500 Series)	8,825.00		8,825.00		(117.60)		(117.60)		8,707.40		8,707.40		7,895.06			7,895.06
Supplies and Materials	7,876.75		7,876.75		(2,902.12)		(2,902.12)		4,974.63		4,974.63		4,791.63			4,791.63
Miscellaneous Expenditures	1,850.00		1,850.00		(281.00)		(281.00)		1,569.00		1,569.00		1,526.00			1,526.00
Total Undist. Expend. - Central Services	294,974.75	\$	294,974.75	\$	(7,186.10)	\$	(7,186.10)	\$	287,808.65	\$	287,808.65	\$	282,969.53	\$	-	282,969.53
Undist. Expend. - Required Maintenance for School Facilities																
Chemical Repair and Maintenance Services	68,295.01		68,295.01		121,152.00		121,152.00		189,437.01		189,437.01		91,841.15			91,841.15
General Supplies	40,434.16		40,434.16		(5,738.63)		(5,738.63)		34,695.53		34,695.53		31,156.14			31,156.14
Total Undist. Expend. - Required Maint. for School Facilities	108,719.17	-	108,719.17	-	115,413.37	-	115,413.37	-	224,132.54	-	224,132.54	-	122,997.29	-	-	122,997.29
Undist. Expend. - Other Oper. & Maint. Of Plant																
Salaries	864,420.00		864,420.00		(80,243.06)		(80,243.06)		784,176.94		784,176.94		763,191.75			763,191.75
Purchased Professional and Technical Services	49,630.00		49,630.00		(13,940.86)		(13,940.86)		35,689.14		35,689.14		33,124.14			33,124.14
Cleaning, Repair and Maintenance Services	55,000.00		55,000.00		(14,201.62)		(14,201.62)		40,798.38		40,798.38		40,798.38			40,798.38
Rental of Land, Building & Other than Lease Purchases	3,500.00		3,500.00		(2,851.78)		(2,851.78)		648.22		648.22		648.22			648.22
Other Purchased Property Services	35,000.00		35,000.00		2,377.23		2,377.23		37,377.23		37,377.23		37,377.23			37,377.23
Insurance	103,034.00		103,034.00		(5,089.00)		(5,089.00)		97,945.00		97,945.00		97,945.00			97,945.00
Miscellaneous Purchased Services	13,500.00		13,500.00		(12,490.20)		(12,490.20)		1,009.80		1,009.80		1,009.80			1,009.80
General Supplies	148,252.81		148,252.81		81,875.65		81,875.65		230,128.46		230,128.46		218,297.24			218,297.24
Energy - Natural Gas	99,500.00		99,500.00		(30,786.92)		(30,786.92)		68,711.08		68,711.08		68,711.08			68,711.08
Energy - Electricity	625,950.00		625,950.00		42,464.23		42,464.23		668,344.23		668,344.23		668,344.23			668,344.23
Other Objects	750.00		750.00		(237.00)		(237.00)		513.00		513.00		513.00			513.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,998,436.81	-	1,998,436.81	(33,095.33)	(33,095.33)	-	(33,095.33)	-	1,965,341.48	-	1,965,341.48	-	1,949,960.07	-	-	1,949,960.07
Total Undist. Expend. - Oper. & Maint. Of Plant	2,107,155.98	-	2,107,155.98	82,318.04	82,318.04	-	82,318.04	-	2,189,474.02	-	2,189,474.02	-	2,072,957.36	-	-	2,072,957.36
Undist. Expend. - Care and Upkeep of Grounds																
Salaries	61,809.00		61,809.00		(4,856.83)		(4,856.83)		56,952.17		56,952.17		56,949.30			56,949.30
Purchased Professional and Technical Services	1,500.00		1,500.00		(1,042.10)		(1,042.10)		457.90		457.90		440.00			440.00
Cleaning, Repair and Maintenance Services	12,500.00		12,500.00		(1,973.36)		(1,973.36)		10,526.64		10,526.64		10,526.64			10,526.64
General Supplies	27,953.54		27,953.54		3,920.46		3,920.46		31,874.00		31,874.00		31,874.00			31,874.00
Total Undist. Expend. - Care and Upkeep of Grounds	103,762.54	-	103,762.54	(3,951.83)	(3,951.83)	-	(3,951.83)	-	99,107.71	-	99,107.71	-	99,789.94	-	-	99,789.94
Undist. Expend. - Security																
Salaries	77,315.00		77,315.00		1,957.31		1,957.31		79,272.31		79,272.31		79,025.00			79,025.00
Purchased Professional and Technical Services	93,500.00		93,500.00		3,380.70		3,380.70		96,880.70		96,880.70		96,880.70			96,880.70
General Supplies	2,150.00		2,150.00		15,061.00		15,061.00		17,211.00		17,211.00		17,211.00			17,211.00
Other Objects	-		-		40.00		40.00		40.00		40.00		40.00			40.00
Total Undist. Expend. - Security	172,965.00	-	172,965.00	20,469.10	20,469.10	-	20,469.10	-	193,434.10	-	193,434.10	-	193,186.79	-	-	193,186.79
Undist. Expend. - Student Transportation Serv.																
Other Purchased Prof. and Tech. Services	29,550.00		29,550.00		145.00		145.00		145.00		145.00		145.00			145.00
Contract Serv (Aid in Lieu of Payment - Choice School)	133,075.00		133,075.00		12,330.95		12,330.95		145,406.95		145,406.95		132,146.94			132,146.94
Contract Serv (Other than Bat. Home & School)-Vendors	52,000.00		52,000.00		(25,536.80)		(25,536.80)		26,463.20		26,463.20		26,463.20			26,463.20
Contr Serv (Between Home and Sch) - Joint Agrmt	560,711.25		560,711.25		18,601.80		18,601.80		579,313.05		579,313.05		574,435.80			574,435.80
General Supplies	500.00		500.00		(335.74)		(335.74)		164.26		164.26		164.26			164.26
Total Undist. Expend. - Student Transportation Serv.	642,761.25	-	642,761.25	12,330.95	12,330.95	-	12,330.95	-	652,495.51	-	652,495.51	-	647,618.28	-	-	647,618.28
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,107,155.98	-	2,107,155.98	82,318.04	82,318.04	-	82,318.04	-	2,189,474.02	-	2,189,474.02	-	2,072,957.36	-	-	2,072,957.36
Total Undist. Expend. - Care and Upkeep of Grounds	103,762.54	-	103,762.54	(3,951.83)	(3,951.83)	-	(3,951.83)	-	99,107.71	-	99,107.71	-	99,789.94	-	-	99,789.94
Total Undist. Expend. - Security	172,965.00	-	172,965.00	20,469.10	20,469.10	-	20,469.10	-	193,434.10	-	193,434.10	-	193,186.79	-	-	193,186.79
Total Undist. Expend. - Student Transportation Serv.	642,761.25	-	642,761.25	12,330.95	12,330.95	-	12,330.95	-	652,495.51	-	652,495.51	-	647,618.28	-	-	647,618.28
Total Undist. Expend. - Other Oper. & Maint. Of Plant	2,107,155.98	-	2,107,155.98	82,318.04	82,318.04	-	82,318.04	-	2,189,474.02	-	2,189,474.02	-	2,072,957.36	-	-	2,072,957.36
Total Undist. Expend. - Care and Upkeep of Grounds	103,762.54	-	103,762.54	(3,951.83)	(3,951.83)	-	(3,951.83)	-	99,107.71	-	99,107.71	-	99,789.94	-	-	99,789.94
Total Undist. Expend. - Security	172,965.00	-	172,965.00	20,469.10	20,469.10	-	20,469.10	-	193,434.10	-	193,434.10	-	193,186.79	-	-	193,186.79
Total Undist. Expend. - Student Transportation Serv.	642,761.25	-	642,761.25	12,330.95	12,330.95	-	12,330.95	-	652,495.51	-	652,495.51	-	647,618.28	-	-	647,618.28

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL		
	Operating Fund 11-13	Blended Resorces Fund 15	Total General Fund	Operating Fund 11-13	Blended Resorces Fund 15	Total General Fund	Operating Fund 11-13	Blended Resorces Fund 15	Total General Fund	Operating Fund 11-13	Blended Resorces Fund 15	Total General Fund	Operating Fund 11-13	Blended Resorces Fund 15	Total General Fund
UNALLOCATED BENEFITS															
Social Security Contributions	260,400.60		260,400.60			260,400.60			260,400.60			260,400.60			260,400.60
Other Retirement Contributions - PERS	335,000.00		335,000.00			335,000.00			335,000.00			335,000.00			335,000.00
Unemployment Compensation	55,000.00		55,000.00			55,000.00			55,000.00			55,000.00			55,000.00
Workers' Compensation	187,039.00		187,039.00			187,039.00			187,039.00			187,039.00			187,039.00
Health Benefits	666,552.00	2,330,180.00	2,996,732.00	(78,828.28)	(191,098.09)	(269,927.37)	(78,828.28)	(191,098.09)	(269,927.37)	587,722.72	2,139,081.91	2,726,804.63	517,030.06	2,024,002.85	2,541,032.91
Tuition Reimbursement	20,000.00		20,000.00	(10,961.61)		(10,961.61)			(10,961.61)	9,038.39		9,038.39			9,038.39
Other Employee Benefits	74,071.00	265,263.00	342,334.00	27,801.61	19,167.09	47,068.70	101,972.61	287,430.09	389,402.70	45,044.92	253,652.40	639,057.12			639,057.12
TOTAL UNALLOCATED BENEFITS	1,598,062.60	2,599,443.00	4,196,505.60	(145,966.48)	(171,931.00)	(317,897.48)	1,452,096.12	2,426,512.00	3,878,608.12	1,296,091.52	2,277,655.25	6,154,263.37	1,296,091.52	2,277,655.25	8,430,918.89
On-Behalf Contributions															
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)															
Teacher's Pension & Annuity Fund (On-Behalf-Non-Budgeted)															
Reimbursed TPAF Social Security (Non-Budgeted)															
TOTAL ON-BEHALF CONTRIBUTIONS															
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,598,062.60	2,599,443.00	4,196,505.60	(145,966.48)	(171,931.00)	(317,897.48)	1,452,096.12	2,426,512.00	3,878,608.12	1,296,091.52	2,277,655.25	6,154,263.37	1,296,091.52	2,277,655.25	8,430,918.89
TOTAL UNDISTRIBUTED EXPENDITURES	8,096,818.75	5,124,953.62	13,131,772.37	122,709.32	(145,544.45)	(22,841.13)	8,129,522.07	4,979,409.17	13,108,931.24	9,624,985.11	4,779,650.50	23,883,581.74	9,624,985.11	4,779,650.50	28,663,232.24
TOTAL GENERAL CURRENT EXPENSE	8,090,918.75	13,871,644.57	21,962,563.32	128,159.84	(130,234.84)	(2,075.00)	8,219,078.59	13,741,409.73	21,960,486.32	9,696,466.95	12,820,609.80	44,781,096.12	9,696,466.95	12,820,609.80	57,601,705.92
CAPITAL OUTLAY															
Equipment															
Undistributed Expenditures:															
Sewer and Upkeep of Grounds	8,698.20		17,899.20	2,075.00		2,075.00	2,075.00		4,150.00			4,150.00			4,150.00
Architect/Engineer Serv	50,128.35		50,128.35			50,128.35			50,128.35			50,128.35			50,128.35
Construction Service	387,773.85		387,773.85			387,773.85			387,773.85			387,773.85			387,773.85
Total Equipment	446,600.40	9,201.00	455,801.40	2,075.00	-	2,075.00	448,675.40	9,201.00	457,876.40	195,130.61	9,201.00	653,007.01	195,130.61	9,201.00	848,137.61
Interest Deposit to Capital Reserve	1.00		1.00			1.00	1.00		1.00			1.00			1.00
TOTAL CAPITAL OUTLAY	446,601.40	9,201.00	455,802.40	2,075.00	-	2,075.00	448,676.40	9,201.00	457,877.40	195,131.61	9,201.00	653,008.01	195,131.61	9,201.00	848,138.61
Transfer of Funds to Charter School															
TOTAL EXPENDITURES	8,537,520.15	13,880,845.57	22,418,365.72	130,234.84	(130,234.84)	-	8,667,754.99	13,750,610.73	22,418,365.72	9,891,598.56	12,829,810.80	45,248,176.52	9,891,598.56	12,829,810.80	58,077,987.32
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,346,521.85	(13,880,845.57)	(1,534,323.72)	(130,234.84)	130,234.84	-	12,216,287.01	(13,750,610.73)	(1,534,323.72)	13,253,979.58	(12,829,810.80)	424,168.78	13,253,979.58	(12,829,810.80)	424,168.78
Other Financing Sources (Uses):															
Operating Transfers Out:															
Contr. to Whole School Reform - General Fund	(13,861,592.00)		(13,861,592.00)	130,234.84		130,234.84	(13,731,357.16)		(13,731,357.16)			(12,864,831.96)			(12,864,831.96)
Operating Transfers In:															
Contr. to Whole School Reform - General Fund		13,861,592.00	13,861,592.00	(130,234.84)		(130,234.84)	13,731,357.16		13,731,357.16			12,864,831.96			12,864,831.96
Total Other Financing Sources (Uses):	(13,861,592.00)	13,861,592.00	-	130,234.84	(130,234.84)	-	(13,731,357.16)		(13,731,357.16)			(12,864,831.96)			(12,864,831.96)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,515,070.15)	(19,253.57)	(1,534,323.72)	(0.00)	0.00	-	(1,515,070.15)	(19,253.57)	(1,534,323.72)	389,147.62	36,021.16	424,168.78	389,147.62	36,021.16	424,168.78
Fund Balance, July 1	2,126,151.31	19,253.57	2,145,404.88			2,145,404.88	2,126,151.31	19,253.57	2,145,404.88	2,126,151.31	19,253.57	2,145,404.88	2,126,151.31	19,253.57	2,145,404.88
Fund Balance, June 30	611,081.16	-	611,081.16	\$	-	\$	611,081.16	\$	611,081.16	\$	-	611,081.16	\$	-	611,081.16

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Programs		\$ 35,750.00	\$ 35,750.00	\$ 17,847.71	\$ 17,902.29
Total - Local Sources		35,750.00	35,750.00	17,847.71	17,902.29
State Sources:					
Preschool Education	\$ 2,169,428.00		2,169,428.00	2,169,428.00	
Other State Programs	311,939.00	(2,500.00)	309,439.00	309,439.00	
Total - State Sources	2,481,367.00	(2,500.00)	2,478,867.00	2,478,867.00	
Federal Sources:					
Title I	835,000.00	231,165.33	1,066,165.33	955,235.53	110,929.80
Title II	107,000.00	36,500.00	143,500.00	141,149.84	2,350.16
I.D.E.A., Part B	262,284.00	27,078.00	289,362.00	289,362.00	
I.D.E.A., Part B, Preschool Incentive		7,057.00	7,057.00	7,057.00	
Vocational-Federal Secondary	14,000.00	273.00	14,273.00	14,273.00	
Other Federal Programs		8,131.31	8,131.31	5,945.96	2,185.35
Total - Federal Sources	1,218,284.00	310,204.64	1,528,488.64	1,413,023.33	115,465.31
Total Revenues	3,699,651.00	343,454.64	4,043,105.64	3,909,738.04	133,367.60
EXPENDITURES:					
Instruction:					
Salaries	942,000.00	(416,063.49)	525,936.51	436,837.01	89,099.50
Salaries of Teachers	935,891.00	(11,471.18)	924,419.82	924,419.82	
Other Salaries for Instruction	282,929.00	(6,030.82)	276,898.18	276,898.18	
Purchased Professional and Technical Services		3,000.00	3,000.00	3,000.00	
Other Purchased Services (400-500 series)	10,400.00	(7,173.87)	3,226.13	3,226.13	
Tuition	262,284.00	27,078.00	289,362.00	289,362.00	
Supplies and Material	54,000.00	185,450.84	239,450.84	233,135.58	6,315.26
Other Objects	2,000.00	14,845.21	16,845.21	16,446.90	398.31
Total Instruction	2,489,504.00	(210,365.31)	2,279,138.69	2,183,325.62	95,813.07
Support Services:					
Salaries		119,013.36	119,013.36	114,385.36	4,628.00
Salaries of Supervisors of Instruction	98,587.00	4,000.00	102,587.00	102,587.00	
Salaries of Program Directors	23,400.00	846.94	24,246.94	24,246.94	
Salaries of Other Professional Staff	357,450.00	(157,116.38)	200,333.62	200,333.62	
Salaries of Secretarial and Clerical Assistants	20,431.00	35,459.12	55,890.12	55,890.12	
Salaries - Other	113,865.00		113,865.00	113,865.00	
Personal Services - Employee Benefits	444,779.00	173,355.44	618,134.44	593,052.19	25,082.25
Purchased Professional and Technical Services		387,170.16	387,170.16	383,880.16	3,290.00
Purchased Professional - Educational Services	40,584.00	(31,783.31)	8,800.69	8,800.69	
Other Purchased Professional Services	3,000.00		3,000.00	3,000.00	
Cleaning, Repair & Maintenance Services	47,551.00	(39,551.00)	8,000.00	8,000.00	
Rentals	6,000.00		6,000.00	6,000.00	
Other Purchased Services (400-500 series)		56,051.17	56,051.17	55,347.76	703.41
Contracted Transportation Services - Field Trips	5,000.00	34.88	5,034.88	5,034.88	
Travel	3,500.00	(836.48)	2,663.52	2,663.52	
Supplies and Material	25,000.00	5,119.22	30,119.22	27,433.87	2,685.35
Other Objects	3,000.00	5,011.40	8,011.40	7,024.40	987.00
Total Support Services	1,192,147.00	556,774.52	1,748,921.52	1,711,545.51	37,376.01
Facilities Acquisition/Construction:					
Instructional Equipment	18,000.00	(2,954.57)	15,045.43	14,866.91	178.52
Total Facilities Acquisition and Construction Services	18,000.00	(2,954.57)	15,045.43	14,866.91	178.52
Total Expenditures	3,699,651.00	343,454.64	4,043,105.64	3,909,738.04	133,367.60
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2014

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 23,145,578.14	\$ 3,909,738.04
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(65,899.10)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,562,372.00	184,337.00
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 expense (GASB 33)	(1,539,585.00)	(215,892.00)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 23,168,365.14</u>	<u>\$ 3,812,283.94</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 22,721,409.36	\$ 3,909,738.04
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	(65,899.10)
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 22,721,409.36</u>	<u>\$ 3,843,838.94</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Combining Balance Sheet
 June 30, 2014

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Assets:			
Cash and Cash Equivalents	\$ 660,161.93		\$ 660,161.93
Capital Reserve	201,001.00		201,001.00
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 64,846.09	64,846.09
Special Revenue Fund	190,089.85		190,089.85
Capital Projects Fund	207,292.54		207,292.54
Trust and Agency	62.24		62.24
Intergovernmental Accounts Receivable:			
State	1,739,039.85		1,739,039.85
Other	199,360.08		199,360.08
Other Accounts Receivable	400.00		400.00
Total Assets	\$ 3,197,407.49	\$ 64,846.09	\$ 3,262,253.58
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 102,128.47	\$ 10,278.86	\$ 112,407.33
Accrued Salaries and Benefits		292.50	292.50
Loan Payable (Short Term)	515,134.00		515,134.00
Interfund Accounts Payable:			
Blended Resource Fund (15)	64,846.09		64,846.09
Total Liabilities	682,108.56	10,571.36	692,679.92
Fund Balances:			
Restricted:			
Capital Reserve	201,001.00		201,001.00
Excess Surplus Designated for Subsequent Year's Expenditures	154,358.13		154,358.13
Excess Surplus - Current Year	206,192.77		206,192.77
Assigned:			
Designated for Subsequent Year's Expenditures	1,202,871.87		1,202,871.87
Other Purposes	252,251.82	54,274.73	306,526.55
Unassigned	498,623.34		498,623.34
Total Fund Balances	2,515,298.93	54,274.73	2,569,573.66
Total Liabilities and Fund Balances	\$ 3,197,407.49	\$ 64,846.09	\$ 3,262,253.58

CITY OF SALEM SCHOOL DISTRICT

Blended Resource Fund 15

Combined Schedule of Expenditures Allocated by Resource Type - Actual
For the Fiscal Year Ended June 30, 2014

<u>District-wide</u>	<u>Resource</u>	<u>Resource Amount</u> <u>(Final Budget)</u>	<u>% of Total</u> <u>Resources</u>	<u>Total Expenditures</u> <u>Allocated as a % of</u> <u>Total Resources</u>	<u>Total Surplus/</u> <u>Carryover</u>
General Fund Contribution to Whole School Reform	\$ 13,731,357.16	\$ 12,810,557.23		\$ 920,799.93	
General Fund Reserve for Encumbrances at June 30, 2013	19,253.57	19,253.57			
	13,750,610.73				
Combined General Fund Contribution & State Resources	13,750,610.73	12,829,810.80	100.0000%	920,799.93	
Total Restricted Federal Resources					
Totals	\$ 13,750,610.73	\$ 12,829,810.80	100.00%	\$ 920,799.93	

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: John Fenwick School</u>	<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
	General Fund Contribution to Whole School Reform	\$ 2,813,700.94		\$ 2,625,729.04	\$ 187,971.90
	General Fund Reserve for Encumbrances at June 30, 2013	186.94		186.94	
		<u>2,813,887.88</u>			
	Combined General Fund Contribution & State Resources	<u>2,813,887.88</u>	<u>100.00000%</u>	<u>2,625,915.98</u>	<u>187,971.90</u>
	Total Restricted Federal Resources				
	Totals	<u>\$ 2,813,887.88</u>	<u>100.00%</u>	<u>\$ 2,625,915.98</u>	<u>\$ 187,971.90</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Salem Middle School</u>	<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
	General Fund Contribution to Whole School Reform	\$ 4,742,825.39		\$ 4,462,278.76	\$ 280,546.63
	General Fund Reserve for Encumbrances at June 30, 2013	3,656.41		3,656.41	
		4,746,481.80			
	Combined General Fund Contribution & State Resources	4,746,481.80	100.0000%	4,465,935.17	280,546.63
	Total Restricted Federal Resources				
	Totals	\$ 4,746,481.80	100.00%	\$ 4,465,935.17	\$ 280,546.63

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Salem High School</u>	<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform		\$ 6,174,830.83		\$ 5,722,549.43	\$ 452,281.40
General Fund Reserve for Encumbrances at June 30, 2013		15,410.22		15,410.22	
		6,190,241.05			
Combined General Fund Contribution & State Resources		6,190,241.05	100.0000%	5,737,959.65	452,281.40
Total Restricted Federal Resources					
Totals		\$ 6,190,241.05	100.00%	\$ 5,737,959.65	\$ 452,281.40

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 398,251.00	\$ (800.00)	\$ 397,451.00	\$ 333,172.47	\$ 64,278.53
Grades 1-5 - Salaries of Teachers	1,902,595.00	(68,744.45)	1,833,850.55	1,763,393.20	70,457.35
Grades 6-8 - Salaries of Teachers	982,443.00	19,960.00	1,002,403.00	940,964.21	61,438.79
Grades 9-12 - Salaries of Teachers	2,233,260.00	(25,821.73)	2,207,438.27	1,998,248.41	209,189.86
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	203,925.00	(1,494.03)	202,430.97	145,604.00	56,826.97
Purchased Prof- Educational Services	20,500.00	2,041.00	22,541.00	11,025.72	11,515.28
Purchased Technical Services	78,828.00	(1,910.90)	76,917.10	58,650.66	18,266.44
Other Purchased Services (400-500 series)	70,700.00	951.45	71,651.45	44,121.27	27,530.18
General Supplies	208,549.80	49,055.42	257,605.22	249,171.39	8,433.83
Textbooks	30,000.00	(21,989.75)	8,010.25	5,876.22	2,134.03
Other Objects	6,543.32	21,002.53	27,545.85	26,789.85	756.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,135,595.12	(27,750.46)	6,107,844.66	5,577,017.40	530,827.26
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	446,440.00	1,473.00	447,913.00	432,976.00	14,937.00
Other Salaries for Instruction	114,133.00	5,196.80	119,329.80	116,373.98	2,955.82
Purchased Technical Services	512.00	(33.34)	478.66	-	478.66
Other Purchased Services (400-500 series)	3,100.00	4,165.03	7,265.03	976.82	6,288.21
General Supplies	4,250.00	159.57	4,409.57	3,331.89	1,077.68
Textbooks	2,000.00	(2,000.00)	-	-	-
Other Objects	500.00	(267.83)	232.17	90.00	142.17
Total Multiple Disabilities	570,935.00	8,693.23	579,628.23	553,748.69	25,879.54

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,053,587.00	\$ (11,937.01)	\$ 1,041,649.99	\$ 930,403.99	\$ 111,246.00
Purchased Prof- Educational Services	2,000.00	100.00	2,100.00	2,100.00	-
General Supplies	5,150.00	2,332.94	7,482.94	6,199.21	1,283.73
Textbooks	2,000.00	(2,000.00)	-	-	-
Total Resource Room/Resource Center	1,062,737.00	(11,504.07)	1,051,232.93	938,703.20	112,529.73
Preschool Disabilities - Full-Time:					
Salaries of Teachers	68,179.00	(440.85)	67,738.15	66,379.00	1,359.15
Other Salaries for Instruction	16,218.00	4,559.00	20,777.00	18,419.19	2,357.81
General Supplies	1,000.00	8.85	1,008.85	1,008.85	-
Total Preschool Disabilities - Full-Time:	85,397.00	4,127.00	89,524.00	85,807.04	3,716.96
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,719,069.00	1,316.16	1,720,385.16	1,578,258.93	142,126.23
Basic Skills/Remedial - Instruction	43409.00	0.32	43,409.32	43,409.32	-
Salaries of Teachers					
Total Basic Skills/Remedial - Instruction	43,409.00	0.32	43,409.32	43,409.32	-
Vocational Programs - Local - Instruction					
Salaries of Teachers	315,125.00	(80,781.00)	234,344.00	226,521.00	7,823.00
Purchase Prof/Educ Services	-	76,875.00	76,875.00	76,590.00	285.00
Other Purchased Services (400-500 series)	4,000.00	-	4,000.00	2,590.00	1,410.00
General Supplies	15,000.00	(3,000.00)	12,000.00	7,431.46	4,568.54
Textbooks	7,000.00	(5,050.00)	1,950.00	-	1,950.00
Total Vocational Programs - Local - Instruction	341,125.00	(11,956.00)	329,169.00	313,132.46	16,036.54

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Activities. - Inst.					
Salaries	\$ 31,341.00	\$ 4,939.50	\$ 36,280.50	\$ 36,280.50	\$ -
Purchased Services (300-500 series)	9,498.50	11,395.07	20,893.57	20,893.57	-
Supplies and Materials	4,000.00	699.36	4,699.36	3,224.36	1,475.00
Other Objects	1,425.33	-	1,425.33	1,424.33	1.00
Total School-Spon. Cocurricular Activities. - Inst.	46,264.83	17,033.93	63,298.76	61,822.76	1,476.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	260,472.00	(30,457.02)	230,014.98	226,602.50	3,412.48
Purchased Services (300-500 series)	29,712.00	40,865.52	70,577.52	68,109.92	2,467.60
Supplies and Materials	45,124.00	3,928.82	49,052.82	47,651.97	1,400.85
Other Objects	7,300.00	1,851.34	9,151.34	8,251.34	900.00
Total School-Spon. Cocurricular Athletics - Inst.	342,608.00	16,188.66	358,796.66	350,615.73	8,180.93
Before/After School Program - Inst.					
Salaries	24,320.00	-	24,320.00	7,325.50	16,994.50
Salaries of Teachers	2,000.00	-	2,000.00	-	2,000.00
Total Before/After School Program - Inst.	26,320.00	-	26,320.00	7,325.50	18,994.50
Alternative Education Program - Inst.					
Salaries of Teachers	18,500.00	8,982.00	27,482.00	27,482.00	-
Salaries	43,800.00	6,445.00	50,245.00	46,845.20	3,399.80
Purchased Prof-Technical Services	30,000.00	5,050.00	35,050.00	35,050.00	-
Total Alternative Education Program - Inst.	92,300.00	20,477.00	112,777.00	109,377.20	3,399.80
Total Instruction	8,746,690.95	15,309.61	8,762,000.56	8,040,959.30	721,041.26

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 204,141.00	\$ (29,151.88)	\$ 174,989.12	\$ 174,767.29	\$ 221.83
Supplies and Materials	-	566.19	566.19	566.19	-
Total Undistributed Expend. - Attend. & Social Work	204,141.00	(28,585.69)	175,555.31	175,333.48	221.83
Undistributed Expenditures - Health Services					
Salaries	194,810.00	(3,298.00)	191,512.00	191,503.10	8.90
Purchased Professional and Technical Services	-	9,028.75	9,028.75	7,972.75	1,056.00
Other Purchased Services (400-500 series)	200.00	(90.00)	110.00	-	110.00
Supplies and Materials	3,500.00	8,682.76	12,182.76	11,833.76	349.00
Other Objects	75.00	68.50	143.50	143.50	-
Total Undistributed Expenditures - Health Services	198,585.00	14,392.01	212,977.01	211,453.11	1,523.90
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	386,450.00	1,875.32	388,325.32	388,260.42	64.90
Salaries of Secretarial and Clerical Assistants	73,396.00	10,316.00	83,712.00	83,711.95	0.05
Other Salaries	60,283.00	(155.60)	60,127.40	60,102.00	25.40
Other Purchased Prof. and Tech. Services	15,395.00	5,478.00	20,873.00	16,973.00	3,900.00
Other Purchased Services (400-500 series)	3,418.62	651.55	4,070.17	4,070.17	-
Supplies and Materials	23,600.00	7,157.55	30,757.55	29,687.92	1,069.63
Other Objects	300.00	140.00	440.00	440.00	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	562,842.62	25,462.82	588,305.44	583,245.46	5,059.98
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	14,250.00	(10,605.55)	3,644.45	1,820.00	1,824.45
Supplies and Materials	3,500.00	(2,950.00)	550.00	-	550.00
Total Undist. Expend. - Improvement of Inst. Serv.	17,750.00	(13,555.55)	4,194.45	1,820.00	2,374.45

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 209,428.00	\$ 4,343.61	\$ 213,771.61	\$ 211,158.33	\$ 2,613.28
Salaries of Technology Coordinators	167,190.00	-	167,190.00	166,678.76	511.24
Purchased Professional and Technical Services	2,750.00	(910.61)	1,839.39	561.60	1,277.79
Supplies and Materials	7,750.00	3,243.96	10,993.96	10,133.43	860.53
Other Objects		50.00	50.00	50.00	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	387,118.00	6,726.96	393,844.96	388,582.12	5,262.84
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Serv	23000.00	24,024.68	47,024.68	43,335.99	3,688.69
Other Purchased Services (400-500 series)	11,000.00	16,891.36	27,891.36	27,057.68	833.68
Supplies and Materials	3,745.00	506.43	4,251.43	3,388.93	862.50
Total Undist. Expend. - Instructional Staff Training Serv.	37,745.00	41,422.47	79,167.47	73,782.60	5,384.87
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	580,406.00	(42,525.51)	537,880.49	528,555.78	9,324.71
Salaries of Other Professional Staff	102,864.00	-	102,864.00	102,864.00	-
Salaries of Secretarial and Clerical Assistants	100,737.00	(8,281.75)	92,455.25	87,449.95	5,005.30
Other Purchased Services (400-500 series)	6,232.00	1,788.06	8,020.06	7,196.58	823.48
Supplies and Materials	17,500.00	(3,780.32)	13,719.68	11,499.94	2,219.74
Other Objects	4,550.00	523.00	5,073.00	4,879.50	193.50
Total Undist. Expend. - Support Serv. - School Admin.	812,289.00	(62,276.52)	760,012.48	742,445.75	17,566.73

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 77,315.00	\$ 1,957.31	\$ 79,272.31	\$ 79,025.00	\$ 247.31
Purchased Professional and Technical Services	93,500.00	3,380.70	96,880.70	96,880.70	-
General Supplies	2,150.00	15,091.09	17,241.09	17,241.09	-
Other Objects	-	40.00	40.00	40.00	-
Total Undist. Expend. - Security	172,965.00	20,469.10	193,434.10	193,186.79	247.31
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	133,075.00	12,330.95	145,405.95	132,145.94	13,260.01
Total Undist. Expend. - Student Transportation Serv.	133,075.00	12,330.95	145,405.95	132,145.94	13,260.01
UNALLOCATED BENEFITS					
Health Benefits	2,330,180.00	(191,098.09)	2,139,081.91	2,024,002.85	115,079.06
Other Employee Benefits	268,263.00	19,167.09	287,430.09	253,652.40	33,777.69
TOTAL UNALLOCATED BENEFITS	2,598,443.00	(171,931.00)	2,426,512.00	2,277,655.25	148,856.75
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,598,443.00	(171,931.00)	2,426,512.00	2,277,655.25	148,856.75
TOTAL UNDISTRIBUTED EXPENDITURES	5,124,953.62	(145,544.45)	4,979,409.17	4,779,650.50	199,758.67
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,871,644.57	(130,234.84)	13,741,409.73	12,820,609.80	920,799.93

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures:					
Security	\$ 9,201.00	-	\$ 9,201.00	\$ 9,201.00	\$ -
Total Equipment	9,201.00	-	9,201.00	9,201.00	-
TOTAL CAPITAL OUTLAY	9,201.00	-	9,201.00	9,201.00	-
TOTAL SCHOOL BASED EXPENDITURES	13,880,845.57	(130,234.84)	13,750,610.73	12,829,810.80	920,799.93
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	13,861,592.00	(130,234.84)	13,731,357.16	12,864,831.96	866,525.20
Total Other Financing Sources:	13,861,592.00	(130,234.84)	13,731,357.16	12,864,831.96	866,525.20
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(19,253.57)	0.00	(19,253.57)	35,021.16	54,274.73
Fund Balance, July 1	19,253.57	-	19,253.57	19,253.57	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 54,274.73	\$ 54,274.73

CITY OF SALEM SCHOOL DISTRICT

Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

School: <u>John Fenwick School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 398,251.00	\$ (800.00)	\$ 397,451.00	\$ 333,172.47	\$ 64,278.53
Grades 1-5 - Salaries of Teachers	806,709.00	(959.09)	805,749.91	786,062.29	19,687.62
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	142,593.00	(1,494.03)	141,098.97	112,835.00	28,263.97
Purchased Prof- Educational Services	5,500.00	281.00	5,781.00	5,781.00	-
Purchased Technical Services	23,500.00	1,213.03	24,713.03	18,757.51	5,955.52
Other Purchased Services (400-500 series)	10,000.00	-	10,000.00	10,000.00	-
General Supplies	76,186.94	13,838.18	90,025.12	89,906.84	118.28
Other Objects	5,300.00	(519.47)	4,780.53	4,500.53	280.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,468,039.94	11,559.62	1,479,599.56	1,361,015.64	118,583.92
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	71,444.00	(4,092.00)	67,352.00	56,895.00	10,457.00
Other Salaries for Instruction	24,094.00	4,053.80	28,147.80	26,967.18	1,180.62
General Supplies	1,250.00	619.88	1,869.88	1,388.38	481.50
Total Multiple Disabilities	96,788.00	581.68	97,369.68	85,250.56	12,119.12
Resource Room/Resource Center:					
Salaries of Teachers	83,621.00	1,050.00	84,671.00	84,671.00	-
General Supplies	650.00	-	650.00	486.63	163.37
Total Resource Room/Resource Center	84,271.00	1,050.00	85,321.00	85,157.63	163.37
Preschool Disabilities - Full-Time:					
Salaries of Teachers	68,179.00	(440.85)	67,738.15	66,379.00	1,359.15
Other Salaries for Instruction	16,218.00	4,424.00	20,642.00	18,419.19	2,222.81
General Supplies	1,000.00	8.85	1,008.85	1,008.85	-
Total Preschool Disabilities - Full-Time:	85,397.00	3,992.00	89,389.00	85,807.04	3,581.96
TOTAL SPECIAL EDUCATION - INSTRUCTION	266,456.00	5,623.68	272,079.68	256,215.23	15,864.45

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
School-Spon. Cocurricular Actvts. - Inst. Salaries	\$ 2,500.00	\$ (654.00)	\$ 1,846.00	\$ 1,846.00	\$ -
Total School-Spon. Cocurricular Actvts. - Inst.	2,500.00	(654.00)	1,846.00	1,846.00	-
Before/After School Program - Inst. Salaries	20,000.00	-	20,000.00	7,325.50	12,674.50
Total Before/After School Program - Inst.	20,000.00	-	20,000.00	7,325.50	12,674.50
Total Instruction	1,756,995.94	16,529.30	1,773,525.24	1,626,402.37	147,122.87
Undistributed Expend. - Attend. & Social Work Salaries Supplies and Materials	48,191.00 - -	3,602.57 566.19 -	51,793.57 566.19 -	51,793.57 566.19 -	- - -
Total Undistributed Expend. - Attend. & Social Work	48,191.00	4,168.76	52,359.76	52,359.76	-
Undistributed Expenditures - Health Services Salaries Other Purchased Services (400-500 series) Supplies and Materials	34,740.00 200.00 2,000.00	(3,259.00) (90.00) 2,337.34	31,481.00 110.00 4,337.34	31,480.60 - 4,218.34	0.40 110.00 119.00
Total Undistributed Expenditures - Health Services	36,940.00	(1,011.66)	35,928.34	35,698.94	229.40
Undist. Expend. - Guidance Salaries of Other Professional Staff Other Salaries Other Purchased Prof. and Tech. Services Other Purchased Services Supplies and Materials	62,378.00 20,014.00 1,600.00 - 2,100.00	(319.30) (155.60) (1,600.00) 240.56 1,241.14	62,058.70 19,858.40 - 240.56 3,341.14	62,003.32 19,833.83 - 240.56 2,340.13	55.38 24.57 - - 1,001.01
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	86,092.00	(593.20)	85,498.80	84,417.84	1,080.96

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Improvement of Inst. Serv. Other Salaries	\$ 2,750.00	\$ (1,344.00)	\$ 1,406.00	\$ -	\$ 1,406.00
Total Undist. Expend. - Improvement of Inst. Serv.	2,750.00	(1,344.00)	1,406.00	-	1,406.00
Undist. Expend. - Edu. Media Serv./Sch. Library Salaries	63,628.00	(2.00)	63,626.00	62,003.33	1,622.67
Salaries of Technology Coordinators	91,121.00	0.04	91,121.04	91,121.04	-
Purchased Professional and Technical Services	750.00	-	750.00	-	750.00
Supplies and Materials	1,750.00	2,096.01	3,846.01	2,994.00	852.01
Total Undist. Expend. - Edu. Media Serv./Sch. Library	157,249.00	2,094.05	159,343.05	156,118.37	3,224.68
Undist. Expend. - Instructional Staff Training Serv. Purchased Prof- Educational Services	5,000.00	16,833.23	21,833.23	20,505.00	1,328.23
Other Purchased Services (400-500 series)	3,500.00	(1,052.00)	2,448.00	2,448.00	-
Supplies and Materials	1,245.00	288.93	1,533.93	1,533.93	-
Total Undist. Expend. - Instructional Staff Training Serv.	9,745.00	16,070.16	25,815.16	24,486.93	1,328.23
Undist. Expend. - Support Serv. - School Admin. Salaries of Principals/Assistant Principals	70,201.00	5,265.02	75,466.02	75,083.98	382.04
Salaries of Secretarial and Clerical Assistants	31,907.00	(9,009.75)	22,897.25	18,391.87	4,505.38
Other Purchased Services (400-500 series)	2,000.00	786.09	2,786.09	1,962.61	823.48
Supplies and Materials	4,500.00	(725.32)	3,774.68	3,630.27	144.41
Other Objects	950.00	-	950.00	756.50	193.50
Total Undist. Expend. - Support Serv. - School Admin.	109,558.00	(3,683.96)	105,874.04	99,825.23	6,048.81
Undist. Expend. - Security Salaries	13,504.00	(420.94)	13,083.06	13,023.89	59.17
Purchased Professional and Technical Services	900.00	2,675.06	2,675.06	2,675.06	-
General Supplies	900.00	1,829.60	2,729.60	2,729.60	-
Total Undist. Expend. - Security	14,404.00	4,083.72	18,487.72	18,428.55	59.17

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Student Transportation Serv. Contr Serv (Oth. Than Bet Home & Sch) - Vendors	\$ 6,000.00	\$ (71.28)	\$ 5,928.72	\$ 3,240.75	\$ 2,687.97
Total Undist. Expend. - Student Transportation Serv.	6,000.00	(71.28)	5,928.72	3,240.75	2,687.97
UNALLOCATED BENEFITS					
Health Benefits	531,082.00	(54,002.29)	477,079.71	453,555.90	23,523.81
Other Employee Benefits	102,253.00	(29,611.66)	72,641.34	71,381.34	1,260.00
TOTAL UNALLOCATED BENEFITS	633,335.00	(83,613.95)	549,721.05	524,937.24	24,783.81
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	633,335.00	(83,613.95)	549,721.05	524,937.24	24,783.81
TOTAL UNDISTRIBUTED EXPENDITURES	1,104,264.00	(63,901.36)	1,040,362.64	999,513.61	40,849.03
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	2,861,259.94	(47,372.06)	2,813,887.88	2,625,915.98	187,971.90
TOTAL SCHOOL BASED EXPENDITURES	2,861,259.94	(47,372.06)	2,813,887.88	2,625,915.98	187,971.90
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	2,861,073.00	(47,372.06)	2,813,700.94	2,630,364.32	183,336.62
Total Other Financing Sources:	2,861,073.00	(47,372.06)	2,813,700.94	2,630,364.32	183,336.62
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(186.94)	-	(186.94)	4,448.34	4,635.28
Fund Balance, July 1	186.94	-	186.94	186.94	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 4,635.28	\$ 4,635.28

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 1,095,886.00	\$ (67,785.36)	\$ 1,028,100.64	\$ 977,330.91	\$ 50,769.73
Grades 6-8 - Salaries of Teachers	982,443.00	19,960.00	1,002,403.00	940,964.21	61,438.79
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	32,769.00	-	32,769.00	32,769.00	-
Purchased Prof- Educational Services	-	1,760.00	1,760.00	1,760.00	-
Purchased Technical Services	25,328.00	(3,123.93)	22,204.07	18,665.46	3,538.61
Other Purchased Services (400-500 series)	18,700.00	951.45	19,651.45	15,962.54	3,688.91
General Supplies	60,323.00	38,062.02	98,385.02	98,385.02	-
Textbooks	-	5,558.21	5,558.21	3,424.18	2,134.03
Other Objects	200.00	2,270.00	2,470.00	1,994.00	476.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,215,649.00	(2,347.61)	2,213,301.39	2,091,255.32	122,046.07
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	258,138.00	5,565.00	263,703.00	261,093.00	2,610.00
Other Salaries for Instruction	68,195.00	1,143.00	69,338.00	68,187.80	1,150.20
Purchased Technical Services	512.00	(33.34)	478.66	-	478.66
Other Purchased Services	-	33.34	33.34	33.34	-
General Supplies	1,000.00	888.85	1,888.85	1,292.67	596.18
Other Objects	-	90.00	90.00	90.00	-
Total Multiple Disabilities	327,845.00	7,686.85	335,531.85	330,696.81	4,835.04

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 381,744.00	\$ (12,531.39)	\$ 369,212.61	\$ 319,560.09	\$ 49,652.52
General Supplies	1,500.00	708.34	2,208.34	1,087.98	1,120.36
Total Resource Room/Resource Center	383,244.00	(11,823.05)	371,420.95	320,648.07	50,772.88
Preschool Disabilities - Full-Time:					
Other Salaries for Instruction	-	135.00	135.00	-	135.00
Total Preschool Disabilities - Full-Time	-	135.00	135.00	-	135.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	711,089.00	(4,001.20)	707,087.80	651,344.88	55,742.92
Basic Skills/Remedial - Instruction					
Salaries of Teachers	43,409.00	0.32	43,409.32	43,409.32	-
Total Basic Skills/Remedial - Instruction	43,409.00	0.32	43,409.32	43,409.32	-
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	8,841.00	465.00	9,306.00	9,306.00	-
Other Purchased Services (400-500 series)	2,549.25	1,271.56	3,820.81	3,820.81	-
Supplies and Materials	1,000.00	2,224.36	3,224.36	3,224.36	-
Other Objects	755.66	-	755.66	754.66	1.00
Total School-Spon. Cocurricular Actvts. - Inst.	13,145.91	3,960.92	17,106.83	17,105.83	1.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	9,128.00	-	9,128.00	6,168.00	2,960.00
Other Purchased Services (400-500 series)	2,720.00	3,973.33	6,693.33	6,693.33	-
Supplies and Materials	5,000.00	-	5,000.00	4,257.50	742.50
Other Objects	900.00	-	900.00	900.00	-
Total School-Spon. Cocurricular Athletics - Inst.	17,748.00	3,973.33	21,721.33	17,118.83	4,602.50

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Before/After School Program - Inst. Salaries	\$ 4,320.00	-	\$ 4,320.00	-	\$ 4,320.00
Total Before/After School Program - Inst.	4,320.00	-	4,320.00	-	4,320.00
Alternative Education Program - Inst. Salaries	20,000.00	(2,143.70)	17,856.30	14,456.50	3,399.80
Total Alternative Education Program - Inst.	20,000.00	(2,143.70)	17,856.30	14,456.50	3,399.80
Total Instruction	3,025,360.91	(557.94)	3,024,802.97	2,834,690.68	190,112.29
Undistributed Expend. - Attend. & Social Work Salaries	59,402.00	(1,521.81)	57,880.19	57,880.19	-
Total Undistributed Expend. - Attend. & Social Work	59,402.00	(1,521.81)	57,880.19	57,880.19	-
Undistributed Expenditures - Health Services Salaries	80,771.00	812.50	81,583.50	81,583.50	-
Purchased Professional and Technical Services	500.00	9,003.75	9,003.75	7,947.75	1,056.00
Supplies and Materials	75.00	4,306.45	4,806.45	4,687.45	119.00
Other Objects	-	68.50	143.50	143.50	-
Total Undistributed Expenditures - Health Services	81,346.00	14,191.20	95,537.20	94,362.20	1,175.00

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	\$ 114,368.00	\$ (1,573.38)	\$ 112,794.62	\$ 112,785.10	\$ 9.52
Salaries of Secretarial and Clerical Assistants	41,535.00	(703.75)	40,831.25	40,831.25	-
Other Salaries	19,834.00	-	19,834.00	19,833.60	0.40
Other Purchased Professional & Tech. Services	3,795.00	(3,795.00)	-	-	-
Other Purchased Services	-	580.95	580.95	580.95	-
Supplies and Materials	500.00	7,546.06	8,046.06	8,046.06	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	180,032.00	2,054.88	182,086.88	182,076.96	9.92
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	4,000.00	(1,931.96)	2,068.04	1,820.00	248.04
Total Undist. Expend. - Improvement of Inst. Serv.	4,000.00	(1,931.96)	2,068.04	1,820.00	248.04
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	59,179.00	832.00	60,011.00	60,011.00	-
Salaries of Technology Coordinators	38,110.00	-	38,110.00	38,109.60	0.40
Supplies and Materials	1,000.00	160.34	1,160.34	1,160.34	-
Other Objects	-	50.00	50.00	50.00	-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	98,289.00	1,042.34	99,331.34	99,330.94	0.40

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	\$ 12,595.73	\$ 12,595.73	\$ 12,595.73	\$ 11,415.50	\$ 1,180.23
Other Purchased Services (400-500 series)	3,443.36	3,443.36	3,443.36	3,443.36	-
Supplies and Materials	500.00	545.50	1,045.50	1,045.50	-
Total Undist. Expend. - Instructional Staff Training Serv.	500.00	16,584.59	17,084.59	15,904.36	1,180.23
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	285,882.00	(17,556.37)	268,325.63	264,748.08	3,577.55
Salaries of Secretarial and Clerical Assistants	30,444.00	728.00	31,172.00	31,172.00	-
Other Purchased Services (400-500 series)	2,732.00	901.97	3,633.97	3,633.97	-
Supplies and Materials	5,000.00	-	5,000.00	4,260.25	739.75
Other Objects	2,400.00	399.00	2,799.00	2,799.00	-
Total Undist. Expend. - Support Serv. - School Admin.	326,458.00	(15,527.40)	310,930.60	306,613.30	4,317.30
Undist. Expend. - Security					
Salaries	24,910.00	350.00	25,260.00	25,071.86	188.14
Purchased Professional and Technical Services		2,902.56	2,902.56	2,902.56	-
General Supplies	250.00	169.30	419.30	419.30	-
Total Undist. Expend. - Security	25,160.00	3,421.86	28,581.86	28,393.72	188.14
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	11,037.50	1,864.36	12,901.86	12,766.66	135.20
Total Undist. Expend. - Student Transportation Serv.	11,037.50	1,864.36	12,901.86	12,766.66	135.20
UNALLOCATED BENEFITS					
Health Benefits	839,104.00	(33,262.79)	805,841.21	734,391.10	71,450.11
Other Employee Benefits	100,443.00	8,992.06	109,435.06	97,705.06	11,730.00
TOTAL UNALLOCATED BENEFITS	939,547.00	(24,270.73)	915,276.27	832,096.16	83,180.11

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

<u>School: Middle School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 939,547.00	\$ (24,270.73)	\$ 915,276.27	\$ 832,096.16	\$ 83,180.11
TOTAL UNDISTRIBUTED EXPENDITURES	1,725,771.50	(4,092.67)	1,721,678.83	1,631,244.49	90,434.34
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	4,751,132.41	(4,650.61)	4,746,481.80	4,465,935.17	280,546.63
TOTAL SCHOOL BASED EXPENDITURES	4,751,132.41	(4,650.61)	4,746,481.80	4,465,935.17	280,546.63
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,747,476.00	(4,650.61)	4,742,825.39	4,480,044.09	262,781.30
Total Other Financing Sources:	4,747,476.00	(4,650.61)	4,742,825.39	4,480,044.09	262,781.30
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(3,656.41)		(3,656.41)	14,108.92	17,765.33
Fund Balance, July 1	3,656.41		3,656.41	3,656.41	
Fund Balance, June 30	-	-	-	\$ 17,765.33	\$ 17,765.33

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,233,260.00	\$ (25,821.73)	\$ 2,207,438.27	\$ 1,998,248.41	\$ 209,189.86
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	28,563.00	-	28,563.00	-	28,563.00
Purchased Prof- Educational Services	15,000.00	-	15,000.00	3,484.72	11,515.28
Purchased Technical Services	30,000.00	-	30,000.00	21,227.69	8,772.31
Other Purchased Services (400-500 series)	42,000.00	-	42,000.00	18,158.73	23,841.27
General Supplies	72,039.86	(2,844.78)	69,195.08	60,879.53	8,315.55
Textbooks	30,000.00	(27,547.96)	2,452.04	2,452.04	-
Other Objects	1,043.32	19,252.00	20,295.32	20,295.32	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,451,906.18	(36,962.47)	2,414,943.71	2,124,746.44	290,197.27
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	116,858.00	-	116,858.00	114,988.00	1,870.00
Other Salaries for Instruction	21,844.00	-	21,844.00	21,219.00	625.00
Other Purchased Services (400-500 series)	3,100.00	4131.69	7,231.69	943.48	6,288.21
General Supplies	2,000.00	(1,349.16)	650.84	650.84	-
Textbooks	2,000.00	(2,000.00)	-	-	-
Other Objects	500.00	(357.83)	142.17	-	142.17
Total Multiple Disabilities	146,302.00	424.70	146,726.70	137,801.32	8,925.38

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 588,222.00	\$ (455.62)	\$ 587,766.38	\$ 526,172.90	\$ 61,593.48
Purchased Prof- Educational Services	2,000.00	100.00	2,100.00	2,100.00	-
General Supplies	3,000.00	1,624.60	4,624.60	4,624.60	-
Textbooks	2,000.00	(2,000.00)	-	-	-
Total Resource Room/Resource Center	595,222.00	(731.02)	594,490.98	532,897.50	61,593.48
TOTAL SPECIAL EDUCATION - INSTRUCTION	741,524.00	(306.32)	741,217.68	670,698.82	70,518.86
Vocational Programs - Local - Instruction					
Salaries of Teachers	315,125.00	(80,781.00)	234,344.00	226,521.00	7,823.00
Purchase Prof/Educ Services	4,000.00	76,875.00	76,875.00	76,590.00	285.00
Purchased Services (300-500 series)	15,000.00	-	4,000.00	2,590.00	1,410.00
General Supplies	7,000.00	(3,000.00)	12,000.00	7,431.46	4,568.54
Textbooks	7,000.00	(5,050.00)	1,950.00	-	1,950.00
Total Vocational Programs - Local - Instruction	341,125.00	(11,956.00)	329,169.00	313,132.46	16,036.54
School-Spon. Cocurricular Activities - Inst.					
Salaries	20,000.00	5,128.50	25,128.50	25,128.50	-
Purchased Services (300-500 series)	6,949.25	10,123.51	17,072.76	17,072.76	-
Supplies and Materials	3,000.00	(1,525.00)	1,475.00	-	1,475.00
Other Objects	669.67	-	669.67	669.67	-
Total School-Spon. Cocurricular Activities. - Inst.	30,618.92	13,727.01	44,345.93	42,870.93	1,475.00

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
School-Spon. Cocurricular Athletics - Inst. Salaries	\$ 251,344.00	\$ (30,457.02)	\$ 220,886.98	\$ 220,434.50	\$ 452.48
Purchased Services (300-500 series)	26,992.00	36,892.19	63,884.19	61,416.59	2,467.60
Supplies and Materials	40,124.00	3,928.82	44,052.82	43,394.47	658.35
Other Objects	6,400.00	1,851.34	8,251.34	8,251.34	-
Total School-Spon. Cocurricular Athletics - Inst.	324,860.00	12,215.33	337,075.33	333,496.90	3,578.43
Before/After School Program - Inst. Salaries of Teachers	2,000.00	-	2,000.00	-	2,000.00
Total Before/After School Program - Inst.	2,000.00	-	2,000.00	-	2,000.00
Alternative Education Program - Inst. Salaries of Teachers	18,500.00	8,982.00	27,482.00	27,482.00	-
Salaries	23,800.00	8,588.70	32,388.70	32,388.70	-
Purchased Prof-Technical Services	30,000.00	5,050.00	35,050.00	35,050.00	-
Total Alternative Education Program - Inst.	72,300.00	22,620.70	94,920.70	94,920.70	-
Total Instruction	3,964,334.10	(661.75)	3,963,672.35	3,579,866.25	383,806.10
Undistributed Expend. - Attend. & Social Work Salaries	96,548.00	(31,232.64)	65,315.36	65,093.53	221.83
Total Undistributed Expend. - Attend. & Social Work	96,548.00	(31,232.64)	65,315.36	65,093.53	221.83

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undistributed Expenditures - Health Services					
Salaries	\$ 79,299.00	\$ (851.50)	\$ 78,447.50	\$ 78,439.00	\$ 8.50
Purchased Professional and Technical Services	-	25.00	25.00	25.00	-
Supplies and Materials	1,000.00	2,038.97	3,038.97	2,927.97	111.00
Total Undistributed Expenditures - Health Services	80,299.00	1,212.47	81,511.47	81,391.97	119.50
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	209,704.00	3,768.00	213,472.00	213,472.00	-
Salaries of Secretarial and Clerical Assistants	31,861.00	11,019.75	42,880.75	42,880.70	0.05
Other Salaries	20,435.00	-	20,435.00	20,434.57	0.43
Other Purchased Prof. and Tech. Services	10,000.00	10,873.00	20,873.00	16,973.00	3,900.00
Other Purchased Services (400-500 series)	3,418.62	(169.96)	3,248.66	3,248.66	-
Supplies and Materials	21,000.00	(1,629.65)	19,370.35	19,301.73	68.62
Other Objects	300.00	140.00	440.00	440.00	-
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	296,718.62	24,001.14	320,719.76	316,750.66	3,969.10
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries	7,500.00	(7,329.59)	170.41	-	170.41
Supplies and Materials	3,500.00	(2,950.00)	550.00	-	550.00
Total Undist. Expend. - Improvement of Inst. Serv.	11,000.00	(10,279.59)	720.41	-	720.41

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 86,621.00	\$ 3,513.61	\$ 90,134.61	\$ 89,144.00	\$ 990.61
Salaries of Technology Coordinators	37,959.00	(0.04)	37,958.96	37,448.12	510.84
Purchased Professional and Technical Services	2,000.00	(910.61)	1,089.39	561.60	527.79
Supplies and Materials	5,000.00	987.61	5,987.61	5,979.09	8.52
Total Undist. Expend. - Edu. Media Serv./Sch. Library	131,580.00	3,590.57	135,170.57	133,132.81	2,037.76
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services	18,000.00	(5,404.28)	12,595.72	11,415.49	1,180.23
Other Purchased Services (400-500 series)	7,500.00	14,500.00	22,000.00	21,166.32	833.68
Supplies and Materials	2,000.00	(328.00)	1,672.00	809.50	862.50
Total Undist. Expend. - Instructional Staff Training Serv.	27,500.00	8,767.72	36,267.72	33,391.31	2,876.41
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	224,323.00	(30,234.16)	194,088.84	188,723.72	5,365.12
Salaries of Other Professional Staff	102,864.00	-	102,864.00	102,864.00	-
Salaries of Secretarial and Clerical Assistants	38,386.00	-	38,386.00	37,886.08	499.92
Other Purchased Services (400-500 series)	1,500.00	100.00	1,600.00	1,600.00	-
Supplies and Materials	8,000.00	(3,055.00)	4,945.00	3,609.42	1,335.58
Other Objects	1,200.00	124.00	1,324.00	1,324.00	-
Total Undist. Expend. - Support Serv. - School Admin.	376,273.00	(33,065.16)	343,207.84	336,007.22	7,200.62

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Security					
Salaries	\$ 38,901.00	\$ 2,028.25	\$ 40,929.25	\$ 40,929.25	\$ -
Purchased Professional and Technical Services	93,500.00	(2,196.92)	91,303.08	91,303.08	-
General Supplies	1,000.00	13,092.19	14,092.19	14,092.19	-
Other Objects	-	40.00	40.00	40.00	-
Total Undist. Expend. - Security	133,401.00	12,963.52	146,364.52	146,364.52	-
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	116,037.50	10,537.87	126,575.37	116,138.53	10,436.84
Total Undist. Expend. - Student Transportation Serv.	116,037.50	10,537.87	126,575.37	116,138.53	10,436.84
UNALLOCATED BENEFITS					
Health Benefits	959,994.00	(103,833.01)	856,160.99	836,055.85	20,105.14
Other Employee Benefits	65,567.00	39,786.69	105,353.69	84,566.00	20,787.69
TOTAL UNALLOCATED BENEFITS	1,025,561.00	(64,046.32)	961,514.68	920,621.85	40,892.83
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,025,561.00	(64,046.32)	961,514.68	920,621.85	40,892.83
TOTAL UNDISTRIBUTED EXPENDITURES	2,294,918.12	(77,550.42)	2,217,367.70	2,148,892.40	68,475.30
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	6,259,252.22	(78,212.17)	6,181,040.05	5,728,758.65	452,281.40

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2014

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CAPITAL OUTLAY					
Equipment	\$ 9,201.00	-	\$ 9,201.00	\$ 9,201.00	\$ -
Undistributed Expenditures:					
Security	9,201.00	-	9,201.00	9,201.00	-
Total Equipment	9,201.00	-	9,201.00	9,201.00	-
TOTAL CAPITAL OUTLAY	9,201.00	-	9,201.00	9,201.00	-
<u>TOTAL SCHOOL BASED EXPENDITURES</u>	<u>6,268,453.22</u>	<u>(78,212.17)</u>	<u>6,190,241.05</u>	<u>5,737,959.65</u>	<u>452,281.40</u>
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	6,253,043.00	(78,212.17)	6,174,830.83	5,754,423.55	420,407.28
Total Other Financing Sources:	6,253,043.00	(78,212.17)	6,174,830.83	5,754,423.55	420,407.28
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(15,410.22)	-	(15,410.22)	16,463.90	31,874.12
Fund Balance, July 1	15,410.22	-	15,410.22	15,410.22	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 31,874.12	\$ 31,874.12

SPECIAL REVENUE FUND

CITY OF SALEM SCHOOL DISTRICT

Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	N.C.L.B.					Total Carried Forward	
	Title I		Title II		I.D.E.A. Part B		
	Part A	Part A - Training	Part A - Training	Part A - Training	Basic		Preschool
	2013-14	2012-13	2013-14	2013-14	2013-14	2013-14	
REVENUES:							
Federal Sources	\$ 810,884.20	\$ 31,256.67	\$ 113,094.66	\$ 141,149.84	\$ 289,362.00	\$ 7,057.00	
Slate Sources							
Local Sources							
Total Revenues	810,884.20	31,256.67	113,094.66	141,149.84	289,362.00	7,057.00	
EXPENDITURES:							
Instruction:							
Salaries	314,537.00	78,448.51	41,015.00				
Salaries of Teachers							
Other Salaries for Instruction					6,555.00		
Purchased Professional and Technical Services							
Other Purchased Services (400-500 series)					289,362.00		
Tuition	101,559.35	25,434.67	3,668.16				
Supplies and Material	5,990.97	100.00					
Other Objects							
Total Instruction	422,087.32	25,434.67	82,216.67	41,015.00	289,362.00	6,555.00	
Support Services:							
Salaries	98,893.80	14,791.56					
Salaries of Supervisors of Instruction							
Salaries of Program Directors							
Salaries of Other Professional Staff							
Salaries of Secretarial and Clerical Assistants							
Salaries - Other							
Personal Services - Employee Benefits	59,342.49	6,790.15	7,817.46				
Purchased Professional and Technical Services	224,081.78	5,822.00	92,317.38				
Purchased Professional - Educational Services						502.00	
Other Purchased Professional Services							
Cleaning, Repair & Maintenance Services							
Rentals							
Other Purchased Services (400-500 series)	4,575.59						
Contracted Transportation Services - Field Trips							
Travel	1,205.22	9,296.28					
Supplies and Material	698.00						
Other Objects							
Total Support Services	388,796.88	5,822.00	30,877.99	100,134.84		502.00	
Facilities Acquisition/Construction:							
Instructional Equipment							
Total Facilities Acquisition & Construction Services							
Total Expenditures	810,884.20	31,256.67	113,094.66	141,149.84	289,362.00	7,057.00	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

(Continued)

CITY OF SALEM SCHOOL DISTRICT

Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	Total Brought Forward	McKinney Education for Homeless Children 2013-14	Perkins Vocational 2013-14	Preschool Education Aid 2013-14	School Based Youth Services 2013-14	Total Carried Forward
REVENUES:						
Federal Sources	\$ 1,392,804.37	\$ 5,945.96	\$ 14,273.00	\$ 2,169,428.00	\$ 263,976.00	\$ 1,413,023.33
State Sources						2,433,404.00
Local Sources						
Total Revenues	1,392,804.37	5,945.96	14,273.00	2,169,428.00	263,976.00	3,846,427.33
EXPENDITURES:						
Instruction:						
Salaries	434,000.51					434,000.51
Salaries of Teachers				895,338.82		895,338.82
Other Salaries for Instruction	6,555.00		3,000.00	270,343.18		276,898.18
Purchased Professional and Technical Services						3,000.00
Other Purchased Services (400-500 series)				3,226.13		3,226.13
Tuition	289,362.00					289,362.00
Supplies and Material	130,662.18		8,437.65	86,873.00		225,972.83
Other Objects	6,090.97		1,706.63	5,732.00		13,529.60
Total Instruction	866,670.66		13,144.28	1,261,513.13		2,141,328.07
Support Services:						
Salaries	113,685.36		700.00			114,385.36
Salaries of Supervisors of Instruction				98,587.00		98,587.00
Salaries of Program Directors				24,246.94		24,246.94
Salaries of Other Professional Staff				91,518.70	105,733.92	197,252.62
Salaries of Secretarial and Clerical Assistants				16,884.12	36,354.00	53,238.12
Salaries - Other				113,865.00		113,865.00
Personal Services - Employee Benefits	74,452.10			467,253.69	48,281.72	589,987.51
Purchased Professional and Technical Services	322,221.16				58,465.00	380,686.16
Other Purchased Professional Services				8,800.69		8,800.69
Cleaning, Repair & Maintenance Services				3,000.00		3,000.00
Rentals				8,000.00		8,000.00
Other Purchased Services (400-500 series)	4,575.59	1,031.31	428.72	6,000.00	812.14	6,000.00
Contracted Transportation Services - Field Trips				48,500.00		55,347.76
Travel				5,034.88		5,034.88
Supplies and Material	10,501.50	4,914.65		2,663.52		2,663.52
Other Objects	698.00			5,230.42		26,473.39
Total Support Services	526,133.71	5,945.96	1,128.72	902,584.96	258,800.00	1,694,593.35
Facilities Acquisition/Construction:						
Instructional Equipment				5,329.91	5,176.00	10,505.91
Total Facilities Acquisition and Construction Services				5,329.91	5,176.00	10,505.91
Total Expenditures	1,392,804.37	5,945.96	14,273.00	2,169,428.00	263,976.00	3,846,427.33
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF SALEM SCHOOL DISTRICT

Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

	Total Brought Forward	2013-14	Health and Wellness Foundation Grant	2013-14	NJ Principal Arts Grant	2013-14	SJ Energy Solutions Arts Grant	2013-14	Gen YOUth Foundation Grant	2013-14	Total
REVENUES:											
Federal Sources	\$ 1,413,023.33										\$ 1,413,023.33
State Sources	2,433,404.00	\$ 45,463.00	\$ 10,996.96	\$ 5,000.00	\$ 1,000.00	\$ 850.75					2,478,867.00
Local Sources											17,847.71
Total Revenues	3,846,427.33	45,463.00	10,996.96	5,000.00	1,000.00	850.75					3,909,738.04
EXPENDITURES:											
Instruction:											
Salaries	434,000.51		2,836.50								436,837.01
Salaries of Teachers	895,338.82	29,081.00									924,419.82
Other Salaries for Instruction	276,898.18										276,898.18
Purchased Professional and Technical Services	3,000.00										3,000.00
Other Purchased Services (400-500 series)	3,226.13										3,226.13
Tuition	289,362.00										289,362.00
Supplies and Material	225,972.83	1,250.00	62.00	5,000.00		850.75					233,135.58
Other Objects	13,529.60	1,917.30					1,000.00				16,446.90
Total Instruction	2,141,328.07	32,248.30	2,898.50	5,000.00	1,000.00	850.75					2,183,325.62
Support Services:											
Salaries	114,385.36										114,385.36
Salaries of Supervisors of Instruction	96,587.00	4,000.00									102,587.00
Salaries of Program Directors	24,246.94										24,246.94
Salaries of Other Professional Staff	197,252.62	3,081.00									200,333.62
Salaries of Secretarial and Clerical Assistants	53,238.12	2,652.00									55,890.12
Salaries - Other	113,865.00										113,865.00
Personal Services - Employee Benefits	589,987.51	2,847.70	216.98								593,052.19
Purchased Professional and Technical Services	380,686.16	634.00	2,560.00								383,880.16
Other Purchased Professional Services	8,800.69										8,800.69
Cleaning, Repair & Maintenance Services	3,000.00										3,000.00
Rentals	8,000.00										8,000.00
Other Purchased Services (400-500 series)	6,000.00										6,000.00
Contracted Transportation Services - Field Trips	55,347.76										55,347.76
Travel	5,034.88										5,034.88
Supplies and Material	2,663.52										2,663.52
Other Objects	26,473.39		960.48								27,433.87
	7,024.40										7,024.40
Total Support Services	1,694,593.35	13,214.70	3,737.46								1,711,545.51
Facilities Acquisition/Construction:											
Instructional Equipment	10,505.91		4,361.00								14,866.91
Total Facilities Acquisition and Construction Services	10,505.91		4,361.00								14,866.91
Total Expenditures	3,846,427.33	45,463.00	10,996.96	5,000.00	1,000.00	850.75					3,909,738.04
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 890,428.00	\$ 4,910.82	\$ 895,338.82	\$ 895,338.82	
Other Salaries for Instruction	282,929.00	(12,585.82)	270,343.18	270,343.18	
Other Purchased Services (400-500 series)	10,400.00	(7,173.87)	3,226.13	3,226.13	
Supplies and Materials	40,000.00	46,873.00	86,873.00	86,873.00	
Other Objects	2,000.00	3,732.00	5,732.00	5,732.00	
Total Instruction	1,225,757.00	35,756.13	1,261,513.13	1,261,513.13	\$ -
Support Services:					
Salaries of Supervisors of Instruction	98,587.00	-	98,587.00	98,587.00	
Salaries of Program Directors	23,400.00	846.94	24,246.94	24,246.94	
Salaries of Other Professional Staff	90,974.00	544.70	91,518.70	91,518.70	
Salaries of Secretarial and Clerical Assistants	20,431.00	(3,546.88)	16,884.12	16,884.12	
Salaries - Other	113,865.00	-	113,865.00	113,865.00	
Personal Services - Employee Benefits	444,779.00	22,474.69	467,253.69	467,253.69	
Purchased Professional – Educational Services	40,584.00	(31,783.31)	8,800.69	8,800.69	
Other Purchased Professional Services	3,000.00	-	3,000.00	3,000.00	
Cleaning, Repair & Maintenance Services	47,551.00	(39,551.00)	8,000.00	8,000.00	
Rentals	6,000.00	-	6,000.00	6,000.00	
Contracted Transportation Services - Field Trips	5,000.00	34.88	5,034.88	5,034.88	
Travel	3,500.00	(836.48)	2,663.52	2,663.52	
Miscellaneous Purchased Services	-	48,500.00	48,500.00	48,500.00	
Supplies and Material	25,000.00	(19,769.58)	5,230.42	5,230.42	
Other Objects	3,000.00	-	3,000.00	3,000.00	
Total Support Services	925,671.00	(23,086.04)	902,584.96	902,584.96	-
Facilities Acquisition/Construction:					
Instructional Equipment	18,000.00	(12,670.09)	5,329.91	5,329.91	-
Total Expenditures	\$ 2,169,428.00	\$ -	\$ 2,169,428.00	\$ 2,169,428.00	\$ -
<u>Calculation of Budget and Carryover</u>					
Total 2013-2014 Preschool Education Aid Allocation				\$ 2,158,992.00	
Add: Actual Preschool Education Aid Carryover June 30, 2013				10,436.00	
Total Preschool Education Aid Funds Available for 2013-14 Budget				2,169,428.00	
Less: 2013-14 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)				2,169,428.00	
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2014				-	
Add: June 30, 2014 Unexpended Preschool Education Aid				-	
2013-12 Carryover - Preschool Education Aid/Preschool				\$ -	
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15				\$ -	

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - Full Day 3yr and 4 yr - Regular
Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 890,428.00	\$ 4,910.82	\$ 895,338.82	\$ 895,338.82	
Other Salaries for Instruction	282,929.00	(12,585.82)	270,343.18	270,343.18	
Other Purchased Services (400-500 series)	10,400.00	(7,173.87)	3,226.13	3,226.13	
Supplies and Materials	40,000.00	46,873.00	86,873.00	86,873.00	
Other Objects	2,000.00	3,732.00	5,732.00	5,732.00	
Total Instruction	1,225,757.00	35,756.13	1,261,513.13	1,261,513.13	\$ -
Support Services:					
Salaries of Supervisors of Instruction	98,587.00	-	98,587.00	98,587.00	
Salaries of Program Directors	23,400.00	846.94	24,246.94	24,246.94	
Salaries of Other Professional Staff	90,974.00	544.70	91,518.70	91,518.70	
Salaries of Secretarial and Clerical Assistants	20,431.00	(3,546.88)	16,884.12	16,884.12	
Salaries - Other	113,865.00	-	113,865.00	113,865.00	
Personal Services - Employee Benefits	444,779.00	22,474.69	467,253.69	467,253.69	
Purchased Professional – Educational Services	40,584.00	(31,783.31)	8,800.69	8,800.69	
Other Purchased Professional Services	3,000.00	-	3,000.00	3,000.00	
Cleaning, Repair & Maintenance Services	47,551.00	(39,551.00)	8,000.00	8,000.00	
Rentals	6,000.00	-	6,000.00	6,000.00	
Contracted Transportation Services - Field Trips	5,000.00	34.88	5,034.88	5,034.88	
Travel	3,500.00	(836.48)	2,663.52	2,663.52	
Miscellaneous Purchased Services	25,000.00	48,500.00	48,500.00	48,500.00	
Supplies and Material	25,000.00	(19,769.58)	5,230.42	5,230.42	
Other Objects	3,000.00	-	3,000.00	3,000.00	
Total Support Services	925,671.00	(23,086.04)	902,584.96	902,584.96	-
Facilities Acquisition and Construction Services:					
Instructional Equipment	18,000.00	(12,670.09)	5,329.91	5,329.91	
Total Expenditures	\$ 2,169,428.00	\$ -	\$ 2,169,428.00	\$ 2,169,428.00	\$ -
<u>Calculation of Budget and Carryover</u>					
Total 2013-2014 Preschool Education Aid Allocation				\$ 2,158,992.00	
Add: Actual Preschool Education Aid Carryover June 30, 2013				10,436.00	
Total Preschool Education Aid Funds Available for 2013-14 Budget				2,169,428.00	
Less: 2013-14 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)				2,169,428.00	
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2014				-	
Add: June 30, 2014 Unexpended Preschool Education Aid				-	
2013-12 Carryover - Preschool Education Aid/Preschool				\$ -	
2013-14 Preschool Education Aid Carryover Budgeted for Preschool Programs 2014-15				\$ -	

CAPITAL PROJECTS FUND

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2014

Project Title/Issue	Original Date	Appropriations	Expenditure to Date		Unexpended Balance June 30, 2014
			Prior Years	Current Year	
(a) Partial Roof Repair and Replacement at High School	05/21/13	\$ 779,916.00	\$ -	\$ 779,916.00	\$ -
		<u>\$ 779,916.00</u>	<u>\$ -</u>	<u>\$ 779,916.00</u>	<u>\$ -</u>

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
 For the Fiscal Year Ended June 30, 2014

Revenues and Other Financing Sources:	
State Sources	\$ 779,916.00
Total Revenues	779,916.00
Expenditures and Other Financing Uses:	
Other Purchase Professional-Technical Service	52,807.00
Construction Services	727,109.00
Total Expenditures	779,916.00
Net Change in Fund Balance	-
Fund Balance - July 1	-
Fund Balance - June 30	\$ -

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Partial Roof Repair and Replacement at High School
 From Inception and for the Fiscal Year Ended June 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$	779,916.00	\$ 779,916.00	\$ 779,916.00
Total Revenues	-	779,916.00	779,916.00	779,916.00
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service		52,807.00	52,807.00	52,807.00
Construction Services		727,109.00	727,109.00	727,109.00
Total Expenditures	-	779,916.00	779,916.00	779,916.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	4630-050-12-1400
Grant Date	05/21/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 647,271.00
Additional Authorized Cost	\$ 132,645.00
Revised Authorized Cost	\$ 779,916.00
Percentage Increase over Original Authorized Cost	20%
Percentage Completion	100%
Original Target Completion Date	09/30/13
Revised Target Completion Date	09/30/13

PROPRIETARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2014

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 127,245.20
Accounts Receivable:	
State	729.28
Federal	51,617.98
Fresh Fruit & Vegetable Program	2,243.66
Other	19,647.35
Inventories	13,349.94
Total Current Assets	214,833.41
Noncurrent Assets:	
Furniture, Machinery and Equipment	253,753.60
Less Accumulated Depreciation	(145,469.88)
Total Noncurrent Assets	108,283.72
Total Assets	323,117.13
LIABILITIES:	
Current Liabilities:	
Accounts Payable	54,251.91
Unearned Revenue:	
Lunches	589.90
USDA Commodities	2,206.87
Total Current Liabilities	57,048.68
NET POSITION:	
Investment in Capital Assets	108,283.72
Unrestricted	157,784.73
Total Net Position	\$ 266,068.45

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 33,512.95
Daily Sales - Non-Reimbursable Programs	43,081.78
Special Functions	172,554.83
	249,149.56
Total Operating Revenues	249,149.56
OPERATING EXPENSES:	
Purchased Professional Services	387,669.66
Cleaning/Repair/Maintenance	13,081.39
Other Purchased Services	6,818.65
General Supplies	79,543.75
Depreciation	16,096.57
Cost of Sales	491,213.82
	994,423.84
Total Operating Expenses	994,423.84
Operating Income / (Loss)	(745,274.28)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
School Lunch Program	10,240.52
Federal Sources:	
National School Lunch Program	507,978.63
National School Breakfast Program	166,568.51
National Snack Program	9,092.00
Fresh Fruits & Vegetables	21,100.00
Food Distribution Program	50,994.77
Interest and Investment Revenue	422.54
	766,396.97
Total Nonoperating Revenues (Expenses)	766,396.97
Change in Net Position	21,122.69
Net Position -- July 1	244,945.76
Net Position -- June 30	\$ 266,068.45

CITY OF SALEM SCHOOL DISTRICT
Proprietary Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2014

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 258,280.34
Payments for Purchased Professional Services	(414,011.51)
Payments to Suppliers	<u>(495,100.46)</u>
Net Cash Provided by (used for) Operating Activities	<u>(650,831.63)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	10,933.82
Federal Sources	<u>749,940.08</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>760,873.90</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u>(27,029.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(27,029.00)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>422.54</u>
Net Cash Provided by (used for) Investing Activities	<u>422.54</u>
Net Increase (Decrease) in Cash and Cash Equivalents	83,435.81
Cash and Cash Equivalents -- July 1	<u>43,809.39</u>
Cash and Equivalents -- June 30	<u><u>\$ 127,245.20</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (745,274.28)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Food Distribution Program	50,994.77
Depreciation and Net Amortization	16,096.57
(Increase) Decrease in Accounts Receivable, Net	9,433.17
(Increase) Decrease in Inventories	2,385.58
Increase (Decrease) in Accounts Payable	14,611.13
Increase (Decrease) in Unearned Revenue	<u>921.43</u>
Total Adjustments	<u>94,442.65</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (650,831.63)</u></u>

FIDUCIARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2014

	Trust Fund		Agency Funds		
	Scholarship Trust	Uniform Trust	Student Activity	Payroll	Total
ASSETS:					
Cash and Cash Equivalents	\$ 22,873.31	\$ 267.63	\$ 102,761.06	\$ 44,301.70	\$ 170,203.70
Investments, at Fair Value:					
Certificates of Deposit	18,458.48				18,458.48
Total Assets	41,331.79	267.63	\$ 102,761.06	\$ 44,301.70	\$ 188,662.18
LIABILITIES:					
Payable to Student Groups			\$ 101,889.46		\$ 101,889.46
Payroll Deductions and Withholdings				\$ 43,692.60	43,692.60
Interfunds Accounts Payable:			871.60		871.60
Due to General Fund				62.24	62.24
Due to Special Revenue				546.86	546.86
Total Liabilities	-	-	\$ 102,761.06	\$ 44,301.70	147,062.76
NET POSITION:					
Reserved for Scholarships	41,331.79				41,331.79
Reserved for Uniforms		267.63			267.63
Total Net Position	\$ 41,331.79	\$ 267.63			\$ 41,599.42

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 June 30, 2014

	Scholarship Trust	Uniform Trust	Total
ADDITIONS:			
Investment Earnings:			
Contributions	\$ 2,971.04	\$ 100.00	3,071.04
Interest and Dividends	179.43	0.12	179.55
Net Investment Earnings	<u>3,150.47</u>	<u>100.12</u>	<u>3,250.59</u>
Total Additions	<u>3,150.47</u>	<u>100.12</u>	<u>3,250.59</u>
DEDUCTIONS:			
Scholarships Awarded	1,770.00		1,770.00
Uniform Purchases		86.98	86.98
Total Deductions	<u>1,770.00</u>	<u>86.98</u>	<u>1,856.98</u>
Change in Net Position	1,380.47	13.14	1,393.61
Net Position -- July 1	<u>39,951.32</u>	<u>254.49</u>	<u>40,205.81</u>
Net Position -- June 30	<u>\$ 41,331.79</u>	<u>\$ 267.63</u>	<u>\$ 41,599.42</u>

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund
 For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
JOHN FENWICK SCHOOL	\$ 6,485.17	\$ 5,476.72	\$ 4,321.93	\$ 7,639.96
Total Elementary School	6,485.17	5,476.72	4,321.93	7,639.96
SALEM MIDDLE SCHOOL	20,912.49	15,928.47	15,846.49	20,994.47
Total Middle School	20,912.49	15,928.47	15,846.49	20,994.47
SALEM HIGH SCHOOL	74,048.18	36,514.45	52,448.28	58,114.35
Total High School	74,048.18	36,514.45	52,448.28	58,114.35
ATHLETIC FUND	13,475.75	63,850.52	62,185.59	15,140.68
Total Athletic Fund	13,475.75	63,850.52	62,185.59	15,140.68
Total All Schools	\$ 114,921.59	\$ 121,770.16	\$ 134,802.29	\$ 101,889.46

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Receipts	Disbursements	Balance June 30, 2014
ASSETS:				
Cash and Cash Equivalents - Payroll	\$ 34.95	\$ 8,268,367.26	\$ (8,268,376.68)	\$ 25.53
Cash and Cash Equivalents - Agency	18,700.26	7,459,125.78	(7,433,549.87)	44,276.17
Interfund Accounts Receivable:				
Due from General Fund	18,631.00	-	(18,631.00)	-
Total Assets	\$ 37,366.21	\$ 15,727,493.04	\$ (15,720,557.55)	\$ 44,301.70
LIABILITIES:				
Payroll Deductions and Withholdings - Agency	\$ 37,366.21	\$ 7,458,507.26	\$ (7,452,180.87)	\$ 43,692.60
Net Payroll	-	8,268,376.68	(8,268,376.68)	-
Interfund Accounts Payable:				
Due to General Fund	-	62.24	-	62.24
Due to Special Revenue	-	546.86	-	546.86
Total Liabilities	\$ 37,366.21	\$ 15,727,493.04	\$ (15,720,557.55)	\$ 44,301.70

LONG-TERM DEBT

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2014</u>
Refunding School Bonds, Series 2008	08/20/08	\$ 3,670,000.00	02/15/15	230,000.00	5.000%	\$ 2,655,000.00		\$ 230,000.00	\$ 2,425,000.00
			02/15/16	235,000.00	5.000%				
			02/15/17	240,000.00	4.000%				
			02/15/18	245,000.00	5.000%				
			02/15/19	245,000.00	4.000%				
			02/15/20	250,000.00	4.000%				
			02/15/21	245,000.00	4.125%				
			02/15/22	245,000.00	4.250%				
			02/15/23	250,000.00	4.250%				
			02/15/24	240,000.00	4.500%				
						\$ 2,655,000.00	\$ -	\$ 230,000.00	\$ 2,425,000.00

CITY OF SALEM SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 119,943.00	\$ -	\$ 119,943.00	\$ 119,943.00	\$ -
Total Local Sources	119,943.00	-	119,943.00	119,943.00	-
State Sources:					
Debt Service Aid Type II	228,401.00		228,401.00	228,401.00	
Total State Sources	228,401.00	-	228,401.00	228,401.00	-
Total Revenues	348,344.00	-	348,344.00	348,344.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	118,344.00		118,344.00	118,343.76	0.24
Redemption of Principal	230,000.00		230,000.00	230,000.00	
Total Expenditures	348,344.00	-	348,344.00	348,343.76	0.24
Excess (Deficiency) of Revenues Over (Under) Expenditures				0.24	0.24
Fund Balance, July 1	1.02	-	1.02	1.02	-
Fund Balance, June 30	\$ 1.02	\$ -	\$ 1.02	\$ 1.26	\$ 0.24

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

CITY OF SALEM SCHOOL DISTRICT

Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net Investment in Capital Assets	\$ 7,792,923.73	\$ 7,376,169.84	\$ 6,365,180.46	\$ 6,116,295.74	\$ 5,943,565.41	\$ 5,110,887.59	\$ 3,080,202.40	\$ 2,059,005.46	\$ 1,194,271.80	\$ 966,205.96
Restricted	792,710.31	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22
Unrestricted	(839,958.48)	(1,023,041.02)	(1,093,119.65)	(1,105,188.75)	(1,303,884.66)	(743,875.19)	214,312.39	252,208.75	271,970.79	(245,410.06)
Total Governmental Activities Net Position	\$ 7,745,675.56	\$ 6,885,381.81	\$ 7,086,076.87	\$ 5,456,785.48	\$ 5,534,344.08	\$ 7,306,265.30	\$ 7,020,081.83	\$ 6,222,415.12	\$ 6,224,940.78	\$ 5,622,701.12
Business-Type Activities										
Net Investment in Capital Assets	\$ 108,283.72	\$ 97,351.29	\$ 112,546.92	\$ 88,112.96	\$ 99,420.78	\$ 53,104.00	\$ 61,526.37	\$ 70,346.96		
Unrestricted	157,784.73	147,594.47	150,411.64	165,407.66	143,491.82	184,395.58	135,971.37	206,589.15	\$ 319,877.34	\$ 292,350.05
Total Business-Type Activities Net Position	\$ 266,068.45	\$ 244,945.76	\$ 262,958.56	\$ 253,520.62	\$ 242,912.60	\$ 237,499.58	\$ 197,497.74	\$ 276,936.11	\$ 319,877.34	\$ 292,350.05
District-Wide										
Net Investment in Capital Assets	\$ 7,901,207.45	\$ 7,473,521.13	\$ 6,477,727.38	\$ 6,204,408.70	\$ 6,042,986.19	\$ 5,163,991.59	\$ 3,141,728.77	\$ 2,129,352.42	\$ 1,194,271.80	\$ 966,205.96
Restricted	792,710.31	532,252.99	1,814,016.06	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22
Unrestricted	(682,173.75)	(875,446.55)	(942,708.01)	(939,781.09)	(1,160,392.84)	(559,479.61)	350,283.76	458,797.90	591,848.13	46,939.99
Total District-Wide Net Position	\$ 8,011,744.01	\$ 7,130,327.57	\$ 7,349,035.43	\$ 5,710,306.10	\$ 5,777,256.68	\$ 7,543,764.88	\$ 7,217,579.57	\$ 6,499,351.23	\$ 6,544,818.12	\$ 5,915,051.17

Source: Exhibit A-1

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ 7,779,874.47	\$ 8,190,283.78	\$ 8,113,641.04	\$ 8,160,387.93	\$ 8,127,220.30	\$ 7,300,591.45	\$ 7,020,932.28	\$ 7,620,245.76	\$ 6,925,517.15	\$ 7,713,341.67
Special Education	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61
Other Special Education	43,409.32	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96
Vocational	313,132.46	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89
Other Instruction	559,597.71	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02
Support Services:										
Tuition	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04
Student & Instruction Related Services	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89
General & Business Administrative Services	775,548.46	794,560.83	749,358.19	860,797.54	789,431.69	917,271.58	957,223.92	926,162.03	865,097.15	1,021,675.97
School Administrative Services	847,193.71	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	1,909,288.71	773,144.07	855,394.91
Plant Operations and Maintenance	2,395,325.22	2,382,235.26	2,292,826.72	2,280,342.25	2,480,463.00	3,251,422.53	2,105,420.97	2,111,915.08	2,346,478.00	1,766,507.89
Unallocated Depreciation	739,275.52	655,929.35	583,140.48	541,362.76	347,654.78	304,849.13	317,667.70	269,183.26		
Pupil Transportation	779,764.20	554,695.40	568,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	523,652.50
Interest on Long-term Debt	114,031.76	124,530.76	132,611.28	139,235.16	145,387.50	152,349.44	179,413.44	187,102.50	194,554.06	201,768.16
Unallocated Benefits	5,497,323.19	5,965,616.95	5,124,360.98	5,195,766.16	5,183,180.38	4,607,364.71	5,815,748.86	5,855,809.96	4,923,605.87	4,127,410.28
Amortization of Debt Issuance Costs			9,430.56	9,801.49	10,420.28	5,681.40	1,600.00	1,600.00	1,600.00	1,600.00
Total Governmental Activities Expenses	27,255,825.07	27,154,172.20	26,304,750.94	26,634,432.60	27,641,969.29	26,173,000.89	27,455,407.82	27,416,203.07	25,360,401.64	23,217,099.79
Business-type Activities:										
Food Service	994,423.84	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16
Total Business-type Activities Expense	994,423.84	988,376.37	971,284.21	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16
Total District Expenses	\$ 28,250,248.91	\$ 28,142,548.57	\$ 27,276,035.15	\$ 27,527,146.29	\$ 28,556,006.29	\$ 27,074,174.47	\$ 28,396,992.95	\$ 28,308,636.05	\$ 26,226,619.73	\$ 24,044,763.95

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (tuition)	\$ 2,181,600.50	\$ 1,924,860.66	\$ 2,587,043.08	\$ 2,269,504.22	\$ 2,169,821.80	\$ 2,241,663.19	\$ 2,624,213.11	\$ 2,581,883.00	\$ 2,419,340.09	\$ 2,325,551.00
Operating Grants and Contributions	5,997,565.55	6,104,717.22	5,658,776.87	5,768,250.70	5,598,516.07	5,334,219.05	5,843,778.18	7,258,815.83	6,575,842.21	5,880,960.24
Total Governmental Activities Program Revenues	8,179,166.05	8,029,577.88	8,245,819.95	8,037,754.92	7,768,337.87	7,575,882.24	8,467,991.29	9,840,698.83	8,995,182.30	8,206,511.24
Business-type activities:										
Charges for Services:										
Food Service	249,149.56	255,521.32	259,200.56	252,885.44	257,995.82	334,874.31	290,492.59	284,880.40	307,544.43	336,342.49
Operating Grants and Contributions	765,974.43	714,427.50	720,642.75	649,537.00	661,501.79	605,014.15	565,497.59	531,778.50	576,583.66	565,110.22
Total Business-type Activities Program Revenues	1,015,123.99	969,948.82	979,843.31	902,422.44	919,497.61	939,888.46	855,990.18	816,658.90	884,128.09	901,452.71
Total District Program Revenues	\$ 9,194,290.04	\$ 8,999,526.70	\$ 9,225,663.26	\$ 8,940,177.36	\$ 8,687,835.48	\$ 8,515,770.70	\$ 9,323,981.47	\$ 10,657,357.73	\$ 9,879,310.39	\$ 9,107,963.95
Net (Expense)/Revenue										
Governmental Activities	\$ (19,076,659.02)	\$ (19,124,594.32)	\$ (18,058,930.99)	\$ (18,596,677.68)	\$ (19,873,631.42)	\$ (18,597,118.65)	\$ (18,987,416.53)	\$ (17,575,504.24)	\$ (16,365,219.34)	\$ (15,010,588.55)
Business-type Activities	20,700.15	(18,427.55)	8,559.10	9,708.75	5,460.61	38,714.88	(85,594.95)	(75,774.08)	17,910.00	73,788.55
Total District-wide Net Expense	\$ (19,055,958.87)	\$ (19,143,021.87)	\$ (18,050,371.89)	\$ (18,586,968.93)	\$ (19,868,170.81)	\$ (18,558,403.77)	\$ (19,073,011.48)	\$ (17,651,278.32)	\$ (16,347,309.34)	\$ (14,936,800.00)

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,656.00
Taxes Levied for Debt Service	119,943.00	119,909.00	123,446.00	105,301.00	82,972.00	74,688.00	79,412.00	80,006.00	80,546.00	81,031.00
Unrestricted Grants and Contributions	17,402,959.62	16,383,157.56	17,194,441.41	16,119,494.15	16,289,726.70	16,282,267.86	17,178,440.24	14,236,181.84	14,351,984.92	12,302,829.19
Restricted Grants and Contributions		(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)			576,968.33		2,963,681.00
Miscellaneous Income	14,519.41	28,552.32	56,618.86	80,735.32	129,493.79	140,672.19	167,926.00	214,505.75	177,273.08	147,530.13
Amortization of Premium Received on Bonds	7,209.74	7,812.87	8,238.56	8,628.84	8,994.37	4,579.57				
Loss on Disposal of Asset				63,095.85	(18,941.15)	(11,236.50)	(7,350.00)			
Total Governmental Activities	19,936,952.77	18,923,899.26	19,752,055.00	18,519,119.08	18,101,710.20	18,883,302.12	19,785,083.24	17,474,316.92	16,976,459.00	17,861,727.32
Business-type Activities:										
Investment Earnings	422.54	414.75	878.84	899.27	202.41	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83
Loss on Disposal of Asset					(250.00)					
Total Business-type Activities	422.54	414.75	878.84	899.27	(47.59)	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83
Total District-wide	\$ 19,937,375.31	\$ 18,924,314.01	\$ 19,752,933.84	\$ 18,520,018.35	\$ 18,101,662.61	\$ 18,884,589.08	\$ 19,791,239.82	\$ 17,488,203.10	\$ 16,986,076.29	\$ 17,865,992.15
Change in Net Position										
Governmental Activities	\$ 860,293.75	\$ (200,695.06)	\$ 1,693,124.01	\$ (77,558.60)	\$ (1,771,921.22)	\$ 286,183.47	\$ 797,666.71	\$ (101,187.32)	\$ 611,239.66	\$ 1,448,552.07
Business-type Activities	21,122.69	(18,012.80)	9,437.94	10,608.02	5,413.02	40,001.84	(79,438.37)	(61,887.90)	27,527.29	38,488.39
Total District	\$ 881,416.44	\$ (218,707.86)	\$ 1,702,561.95	\$ (66,950.58)	\$ (1,766,508.20)	\$ 326,185.31	\$ 718,228.34	\$ (163,075.22)	\$ 638,766.95	\$ 1,487,040.46

Source: Exhibit A-2

CITY OF SALEM SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years (modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Reserved					\$ 670,252.67	\$ 1,461,912.73	\$ 1,195,139.25	\$ 467,494.24	\$ 1,237,188.54	\$ 1,161,095.96
Unreserved-(Deficit)	\$ 561,551.90	\$ 237,222.39	\$ 155,489.20	\$ 79,580.47	(247,198.40)	107,058.57	1,019,100.46	1,024,679.11	918,069.07	528,849.94
Restricted	1,509,398.42	1,452,459.46	2,698,764.65	1,299,216.45						
Assigned	(1,040,961.66)	(1,106,648.97)	(1,073,394.99)	(1,005,547.93)						
Unassigned-(Deficit)										
Total General Fund	\$ 1,029,988.66	\$ 583,032.88	\$ 1,780,858.86	\$ 373,248.99	\$ 423,054.27	\$ 1,568,971.30	\$ 2,214,239.71	\$ 1,492,173.35	\$ 2,155,257.61	\$ 1,689,945.90
All Other Governmental Funds										
Reserved					\$ 12,853.49	\$ 178,399.00	\$ 1,386,584.85	\$ 935,616.26	\$ 516,900.00	
Unreserved, Reported in:										
Special Revenue Fund-(Deficit)					(160,614.00)	(117,890.80)	(27,985.00)	(27,985.00)	(27,985.95)	(24,056.00)
Capital Projects Fund					252,582.95	1,337,432.45	1,204,078.62	2,571,265.65	3,214,158.79	3,814,802.39
Debt Service Fund					12,088.28	16,872.78	5,207.45	5,206.95		
Restricted	\$ 1.26	\$ 1.02	\$ 0.78	\$ 48,125.76						
Assigned						7,853.49				
Unassigned-(Deficit)	(215,892.00)	(184,337.00)	(180,053.00)	(147,492.00)						
Total All Other Governmental Funds	\$ (215,890.74)	\$ (184,335.98)	\$ (172,198.73)	\$ (99,366.24)	\$ 116,910.72	\$ 1,414,813.43	\$ 2,567,885.92	\$ 3,484,103.86	\$ 3,703,072.84	\$ 3,790,746.39

Source: Exhibit B-1

CITY OF SALEM SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Tax Levy	\$ 2,512,264.00	\$ 2,512,230.00	\$ 2,515,767.00	\$ 2,497,622.00	\$ 2,475,293.00	\$ 2,467,019.00	\$ 2,446,067.00	\$ 2,446,661.00	\$ 2,447,201.00	\$ 2,447,687.00
Tuition Charges	2,181,600.50	1,924,860.66	2,579,740.58	2,269,504.22	2,169,821.80	2,241,663.19	2,624,213.11	2,581,883.00	2,419,340.09	2,325,551.00
Miscellaneous	14,519.41	28,552.32	63,921.36	80,735.32	129,493.79	140,672.19	167,926.00	217,225.75	217,273.08	147,530.13
Local Sources	17,847.71	2,000.00	12,529.00	26,196.00	1,606.81	780.85				
State Sources	21,925,543.85	20,966,847.51	20,700,708.77	19,738,703.56	17,232,806.72	19,373,346.79	20,896,425.53	19,712,009.60	18,769,277.57	18,931,177.71
Federal Sources	1,457,133.61	1,519,027.27	2,139,980.51	2,122,845.29	4,653,829.24	2,242,359.27	2,125,792.89	2,359,956.40	2,253,759.47	2,216,292.72
Total Revenue	28,108,909.08	26,953,517.76	28,012,647.22	26,735,606.39	26,662,851.36	26,465,841.29	28,260,424.53	27,317,735.75	26,106,851.21	26,068,238.56
Expenditures										
Instruction										
Regular Instruction	7,750,373.88	8,141,996.46	8,065,550.91	8,114,973.37	8,081,900.24	7,273,223.32	7,013,115.36	7,611,698.55	7,050,771.19	7,709,929.03
Special Education Instruction	1,599,850.77	1,627,578.53	1,610,863.99	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61
Other Special Instruction	43,409.32	42,528.00		61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96
Vocational Education	313,132.46	319,057.44	379,765.76	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89
Other Instruction	559,597.71	569,677.40	507,181.82	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02
Support Services:										
Tuition	1,551,552.20	903,669.25	1,159,700.85	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04
Student & Instruction Related Services	4,259,946.08	4,132,287.16	4,135,688.14	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89
School Administrative Services	847,193.71	891,522.09	948,154.08	945,451.78	1,000,985.41	992,946.23	938,737.31	926,162.03	836,146.20	852,464.91
Other Administrative Services	761,355.07	780,005.11	734,114.93	845,851.53	766,480.45	889,083.17	921,988.79	1,879,420.62	540,367.75	755,098.29
Plant Operations and Maintenance	2,365,934.09	2,352,093.42	2,268,610.60	2,262,315.81	2,462,123.14	3,233,551.52	2,098,662.28	2,105,665.72	2,281,083.03	1,762,289.72
Pupil Transportation	779,764.20	554,695.40	558,027.05	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	510,638.49
Unallocated Employee Benefits	5,513,939.29	6,002,694.88	5,467,370.55	5,209,157.13	5,020,151.08	4,651,124.82	5,783,431.15	5,732,563.97	4,923,605.87	4,067,332.57
Capital Outlay	999,115.52	1,489,578.60	469,599.33	525,556.90	1,087,310.82	2,246,300.20	1,242,625.38	924,219.92	367,711.67	622,366.43
Debt Service:										
Principal	230,000.00	220,000.00	215,000.00	205,000.00	200,000.00	175,000.00	165,000.00	160,000.00	155,000.00	150,000.00
Interest and Other Charges	118,343.76	128,243.76	135,231.00	141,637.50	147,637.50	162,428.51	182,352.50	189,952.50	197,315.00	204,440.00
Total Expenditures	27,693,508.06	28,155,627.50	26,654,859.01	26,751,231.55	28,323,814.59	28,264,182.19	28,454,576.11	28,064,579.08	25,682,406.05	23,640,307.85
Excess (Deficiency) of Revenues Over (Under) Expenditures	415,401.02	(1,202,109.74)	1,357,788.21	(15,625.16)	(1,660,963.23)	(1,798,340.90)	(194,151.58)	(746,843.33)	424,445.16	2,427,930.71
Other Financing Sources (Uses)									(46,807.00)	
Prior Years' Accounts Payable										
Refunding Bond Proceeds										
Bonds Refunded						3,674,000.00				
Cancellation of State Aid						(3,674,000.00)				
Transfers In										
Transfers Out										
Total Other Financing Sources (Uses)	-	(7,853.49)	(23,010.83)	(250,457.08)	(782,856.51)	-	-	-	(46,807.00)	-
Net Change in Fund Balances	\$ 415,401.02	\$ (1,209,963.23)	\$ 1,334,777.38	\$ (266,082.24)	\$ (2,443,819.74)	\$ (1,798,340.90)	\$ (194,151.58)	\$ (746,843.33)	\$ 377,638.16	\$ 2,427,930.71
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%	1.5%

Source: Exhibit B-2

CITY OF SALEM SCHOOL DISTRICT

General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Refunds of Prior Year Expenses	\$ 4,442.78	\$ 7,606.37	\$ 15,577.41	\$ 21,116.37	\$ 16,352.84	\$ 10,065.02	\$ 3,698.20	\$ 4,799.69	\$ 1,104.73	\$ 2,778.81
Reimbursements	490.50	4,274.31	16,021.50	502.00	40,540.16	4,785.84	785.00			20.50
Cancellation of Prior Years' Payables										
Cancellation of Prior Years' Outstanding Checks										
Donations		50.00				800.00				
Rentals	2,975.00	3,295.00	2,530.00	2,340.00	4,652.00	400.00	100.00	915.00	790.00	990.00
Child Study Team Services Provided to their LEA's				46,700.00	46,700.00	109,040.00	97,543.00	52,005.00	65,927.00	52,000.00
Sale of Equipment			50.00						7,751.00	
Bridgeton Board of Education - Distance Learning								26,300.00	12,200.00	15,319.93
Prior Year Tuition Reimbursements										
Excess Revenue - Food Service Fund										
NJ Clean Energy Program										
Anti-Bullying Bill										
Interest on Investments	4,883.91	5,574.02	7,632.59	1,926.99	2,661.25	13,147.02	54,929.76	132,511.97	79,419.86	61,150.40
Miscellaneous	1,726.22	7,752.62	3,246.36	8,149.96	18,587.54	1,649.31	11,655.04	694.09	9,080.48	5,312.49
	\$ 14,518.41	\$ 28,552.32	\$ 56,618.86	\$ 80,735.32	\$ 129,493.79	\$ 140,672.19	\$ 167,926.00	\$ 217,225.75	\$ 176,273.07	\$ 137,572.13

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

CITY OF SALEM SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm Req.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County) Value	Total Direct School Tax Rate (2)
2014	\$ 6,662,100	\$ 149,017,800	\$ 406,500	\$ 151,100	\$ 43,754,600	\$ 22,891,396	\$ 6,181,900	\$ 229,065,396	\$ 2,159,934	\$ 231,225,330	\$ 92,998,641	\$ 220,204,853	\$ 1.078
2013	5,207,300	149,992,100	406,500	167,700	44,342,843	22,891,396	6,181,900	229,189,739	2,142,019	231,331,758	93,141,441	223,829,116	1.079
2012	5,204,500	152,171,600	406,500	167,700	44,545,043	22,891,396	6,181,900	231,568,639	2,455,218	234,023,857	93,429,141	217,707,718	1.073
2011	5,097,100	152,826,700	406,500	167,700	44,629,943	22,891,396	6,224,000	232,243,339	2,419,575	234,662,914	93,249,741	230,035,003	1.072
2010	5,300,100	154,040,900	406,500	167,700	45,835,742	22,891,396	6,224,000	234,866,338	2,442,075	237,308,413	91,438,841	234,866,339	1.052
2009	5,345,200	154,347,300	507,300	167,700	46,241,343	22,891,396	6,808,300	236,308,539	2,319,740	238,628,279	91,528,341	258,624,116	1.038
2008	5,180,600	155,078,300	534,900	165,800	48,814,990	22,945,396	18,410,100	251,130,086	2,722,458	253,852,544	79,541,641	259,497,259	0.972
2007	5,065,500	155,733,400	534,900	165,800	53,904,890	20,213,818	17,907,500	253,525,808	2,664,760	256,190,568	73,819,696	204,275,741	0.955
2006	1,360,525	68,545,025	256,650	-	26,146,625	9,787,300	8,446,750	114,542,875	1,912,232	116,455,107	50,178,115	166,303,974	2.100
2005	1,387,625	68,262,025	256,650	-	26,920,275	9,620,800	8,446,750	114,894,125	2,061,720	116,955,845	49,787,215	156,776,974	2.061

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Municipal Tax Assessor

CITY OF SALEM SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten (Fiscal) Years
 (rate per \$100 of assessed value)
 Unaudited

Year Ended Dec. 31.	District Direct Rate			Overlapping Rate		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	City of Salem	County of Salem	
2014	1.027	0.050	1.078	1.851	0.917	3.846
2013	1.027	0.052	1.079	1.812	0.932	3.823
2012	1.022	0.051	1.073	1.753	0.902	3.728
2011	1.019	0.053	1.072	1.706	0.909	3.688
2010	1.008	0.044	1.052	1.609	0.930	3.591
2009	1.007	0.031	1.038	1.509	0.959	3.506
2008	0.940	0.032	0.972	1.430	0.937	3.339
2007	0.924	0.031	0.955	1.160	0.770	2.885
2006	2.099	0.001	2.100	2.057	1.412	5.569
2005	2.060	0.001	2.061	1.970	1.350	5.381

Source: Municipal Tax Collector

CITY OF SALEM SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
 Unaudited

	2014				2005			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
PSEG Power, LLC	\$ 11,031,700	1	4.8%	\$ 4,021,700	3	3.44%		
Whispering Waters Apartments	9,849,600	2	4.3%	5,330,000	2	4.56%		
Anchor Glass Acquisition Corp.	2,985,200	3	1.3%	6,047,200	1	5.17%		
B and B Properties	2,596,300	4	1.1%	2,285,750	4	1.95%		
Incollingo's Salem Properties	2,534,700	5	1.1%	1,340,000	7	1.15%		
Stergencies E Corporation	2,159,934	6	0.9%	1,566,900	5	1.34%		
Verizon	2,116,778	7	0.9%	1,091,000	9	0.93%		
Aluchem, Inc.	2,091,800	8	0.9%	1,400,350	6	1.20%		
Tilbury Road Associates, Inc.	1,970,700	9	0.9%	1,106,400	10	0.95%		
Barbera, Eddis, & Co. (WirePro)	1,968,100	10	0.9%	1,094,000	8	0.94%		
Salem Chestnut Apartments								
Total	\$ 39,304,812		17.0%	\$ 25,283,300		21.63%		

Sources: Tax Assessor's Records

CITY OF SALEM SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 2,512,264.00	\$ 2,312,903.92	92.06%	\$ 199,360.08
2013	2,512,230.00	2,113,509.92	84.13%	398,720.08
2012	2,515,767.00	2,515,767.00	100.00%	
2011	2,497,622.00	2,298,261.88	92.02%	199,360.12
2010	2,475,293.00	2,475,293.00	100.00%	
2009	2,467,019.00	2,467,019.00	100.00%	
2008	2,446,067.00	2,446,067.00	100.00%	
2007	2,446,661.00	2,446,661.00	100.00%	
2006	2,447,201.00	2,447,201.00	100.00%	
2005	2,447,687.00	2,447,687.00	100.00%	

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

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

CITY OF SALEM SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income (2)			
2014	\$ 2,425,000.00	-	-	-	-	\$ 2,425,000.00	1.75%	\$ 42,350.00	
2013	2,655,000.00	-	-	-	-	2,655,000.00	1.60%	42,350.00	
2012	2,875,000.00	-	-	-	-	2,875,000.00	1.47%	42,350.00	
2011	3,090,000.00	-	-	-	-	3,090,000.00	1.33%	41,192.00	
2010	3,295,000.00	-	-	-	-	3,295,000.00	1.21%	39,889.00	
2009	3,495,000.00	-	-	-	-	3,495,000.00	1.12%	39,138.00	
2008	3,674,000.00	-	-	-	-	3,674,000.00	1.07%	39,254.00	
2007	3,839,000.00	-	-	-	-	3,839,000.00	0.97%	37,158.00	
2006	3,999,000.00	-	-	-	-	3,999,000.00	0.89%	35,507.00	
2005	4,154,000.00	-	-	-	-	4,154,000.00	0.81%	33,824.00	

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

Sources: (1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2012.

CITY OF SALEM SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding (1)			Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 2,425,000.00	\$ -	\$ 2,425,000.00	1.05%	\$ 482.97
2013	2,655,000.00	-	2,655,000.00	1.15%	528.78
2012	2,875,000.00	-	2,875,000.00	1.23%	556.63
2011	3,090,000.00	-	3,090,000.00	1.32%	601.99
2010	3,295,000.00	-	3,295,000.00	1.39%	641.18
2009	3,495,000.00	-	3,495,000.00	1.46%	600.41
2008	3,674,000.00	-	3,674,000.00	1.45%	649.35
2007	3,839,000.00	-	3,839,000.00	1.50%	677.31
2006	3,999,000.00	-	3,999,000.00	3.43%	699.37
2005	4,154,000.00	-	4,154,000.00	3.55%	725.34

Sources:

- (1) City Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

CITY OF SALEM SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2013
 Unaudited

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (3)</u>
Municipal Debt: (1)				
Salem City School District	\$ 2,655,000.00	\$ 2,655,000.00		
City of Salem	42,381,242.85	38,818,299.65	\$ 3,562,943.20	\$ 3,562,943.20
Overlapping Debt Apportioned to Municipality:				
County of Salem - City's Share (1)	69,878,000.00	23,881,536.20	45,996,463.80	1,887,792.00
Salem County Improvement Authority - City's Share (2)	21,579,000.00	21,579,000.00		
Total Direct and Overlapping Debt				<u><u>\$ 5,450,735.20</u></u>

Sources:

- (1) 2013 Annual Debt Statement
- (2) Official Statements
- (3) Such debt is allocated as a proportion of the Township's share of the total 2013 Equalized Value, which is 4.104%.
 The source for this computation was the 2013 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.
 Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

CITY OF SALEM SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

	<u>Equalized Valuation Basis (1)</u>	
2013	\$ 211,918,390	
2012	217,701,080	
2011	215,879,661	
		[A] \$ 645,499,131

Average equalized valuation of taxable property [A/3] \$ 215,166,377

Debt limit (4 % of average equalization value) (2)	[B] \$ 8,606,655
Total Net Debt Applicable to Limit (3)	[C] 2,425,000

Legal Debt Margin **[B-C] \$ 6,181,655**

	Fiscal Year																	
	2013	2013	2012	2012	2011	2011	2010	2010	2009	2009	2008	2008	2007	2007	2006	2006	2005	2005
Debt limit	\$ 8,606,655.08	\$ 8,882,850.71	\$ 9,282,874.59	\$ 9,935,803.00	\$ 10,202,247.00	\$ 10,202,247.00	\$ 9,582,674.00	\$ 9,582,674.00	\$ 8,173,419.00	\$ 8,173,419.00	\$ 6,794,736.00	\$ 6,794,736.00	\$ 6,000,356.00	\$ 6,000,356.00	\$ 6,000,356.00	\$ 5,705,487.40	\$ 5,705,487.40	\$ 5,705,487.40
Total net debt applicable to limit	2,425,000.00	2,655,000.00	2,875,000.00	3,090,000.00	3,295,000.00	3,295,000.00	3,495,000.00	3,495,000.00	3,674,000.00	3,674,000.00	3,839,000.00	3,839,000.00	3,999,000.00	3,999,000.00	3,999,000.00	4,154,000.00	4,154,000.00	4,154,000.00
Legal debt margin	\$ 6,181,655.08	\$ 6,227,850.71	\$ 6,907,247.00	\$ 6,087,674.00	\$ 4,499,419.00	\$ 4,499,419.00	\$ 2,955,736.00	\$ 2,955,736.00	\$ 2,001,356.00	\$ 2,001,356.00	\$ 1,551,487.40	\$ 1,551,487.40	\$ 1,251,971.33	\$ 1,251,971.33	\$ 1,251,971.33	\$ 974,512.41	\$ 974,512.41	\$ 974,512.41
Total net debt applicable to the limit as a percentage of debt limit	28.18%	29.89%	30.97%	31.10%	32.30%	32.30%	36.47%	36.47%	44.95%	44.95%	56.50%	56.50%	66.65%	66.65%	66.65%	72.81%	72.81%	72.81%

Sources:
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
 (3) District Records.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

CITY OF SALEM SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2013	5,021	\$ 212,639,350	\$ 42,350	20.1%
2012	5,165	218,737,750	42,350	17.4%
2011	5,133	211,438,536	41,192	17.0%
2010	5,139	204,989,571	39,889	18.2%
2009	5,821	227,822,298	39,138	16.9%
2008	5,658	222,099,132	39,254	10.2%
2007	5,668	210,611,544	37,158	4.9%
2006	5,718	203,029,026	35,507	8.2%
2005	5,727	193,710,048	33,824	7.6%
2004	5,742	191,220,084	33,302	12.0%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the Census Bureau midyear population estimates.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

CITY OF SALEM SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction:										
Regular	125	130	129	137	139	121	122	136	155	94
Special education	38	37	34	37	44	44	41	58	39	35
Other special education								2	2	2
Support Services:										
Student & instruction related services	37	39	34	37	42	60	63	54	37	46
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	13	13	16	17	19	19	14	13	14	12
Business administrative services	5	5	5	5	5	5	7	7	7	5
Plant operations and maintenance	16	17	17	20	21	20	23	25	30	19
Pupil transportation										
Total	237	244	238	256	273	272	273	298	287	216

Source: District Personnel Records

CITY OF SALEM SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily		% Change		Student Attendance Percentage
						Elementary	Middle School	High School	Enrollment (ADE)	Attendance (ADA)	Average Daily Enrollment	Average Daily Attendance	
2014	1,212	\$ 26,346,049	21,738	-0.39%	200	1:12	1:10	1:6	1,190	1,083	0.59%	91.0%	
2013	1,206	26,317,805	21,822	4.49%	206	1:11	1:9	1:7	1,183	1,090	-5.21%	92.1%	
2012	1,237	25,835,029	20,885	0.80%	197	1:10	1:9	1:8	1,248	1,154	1.27%	92.5%	
2011	1,249	25,879,037	20,720	2.41%	211	1:8	1:9	1:8	1,232	1,134	-2.89%	92.0%	
2010	1,329	26,888,866	20,232	10.77%	225	1:8	1:8	1:9	1,269	1,166	-8.71%	91.9%	
2009	1,406	25,680,453	18,265	-1.55%	224	1:8	1:9	1:10	1,390	1,268	-1.77%	91.2%	
2008	1,448	26,864,598	18,553	3.74%	226	1:6	1:7	1:8	1,415	1,299	-3.54%	91.8%	
2007	1,498	26,790,407	17,884	8.76%	250	1:5	1:7	1:7	1,467	1,340	-0.14%	91.3%	
2006	1,518	24,962,379	16,444	11.16%	233	1:9	1:7	1:15	1,469	1,354	-1.41%	92.2%	
2005	1,532	22,663,501	14,793	4.43%	177	1:8	1:9	1:10	1,490	1,366	5.97%	91.7%	

Sources: District records, ASSA Report, School Register Summary Report, and Schedules J-4 & J-16

CITY OF SALEM SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Elementary										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	460	420	402	363	384	386	420	419	473	491
Middle School										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	425	439	452	447	469	467	486	512	459	461
High School										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	327	347	383	439	476	553	542	567	575	580
Other										
Maintenance Garage (1985)										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	960	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	288	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	21,600	N/A
Garage Building										
Square Feet (2005)	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016
Mini Barn										
Square Feet (2005)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	N/A	N/A
TCU Trailers (6)										
Square Feet (2012)	6,336	6,336	6,336	N/A						

Number of Schools at June 30, 2014

 Elementary = 1

 Middle School = 1

 High School = 1

Source: District records, ASSA Report

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project #	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
District Wide	N/A										
Elementary School	N/A	\$ 46,915.32	\$ 34,856.56	\$ 19,808.66	\$ 10,617.78	\$ 22,608.86	\$ 150,433.36	\$ 21,238.00	\$ 55,010.18	\$ 53,640.07	\$ 350,946.15
Middle School	N/A	19,873.36	24,803.39	37,390.78	31,965.00	55,992.78	211,155.23	33,327.00	2,711.89	17,266.00	20,767.00
High School	N/A	56,208.61	187,861.99	60,187.61	76,532.71	4,657.25	559,686.38	55,941.97	5,674.31	43,166.00	8,606.63
Total		\$ 122,997.29	\$ 247,521.94	\$ 117,387.05	\$ 119,115.49	\$ 83,258.89	\$ 921,274.97	\$ 110,506.97	\$ 75,335.85	\$ 174,506.07	\$ 391,239.78

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

Source: District Records

City of Salem School District
 Insurance Schedule
 June 30, 2014
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property:		
Real & Personal Property	\$ 350,000,000	\$ 5,000
Demolition and Increased Cost of Construction	10,000,000	
Loss of Income/Tuition	2,103,786	
Earthquake	50,000,000	
Flood Zones	10,000,000	500,000
Other Flood Zones	50,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Pollutant Cleanup and Removal	250,000	
Arson Reward	10,000	
Fire Department Service Charge	10,000	
Accounts Receivable	250,000	
Terrorism	1,000,000	
Electronic Data Processing:		
Blanket Hardware/Software	1,082,977	1,000
Transit	25,000	
Loss of Income	10,000	
Flood:		
Zone A & V	500,000	
Other Zones	10,000	
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability:		
Bodily Injury and Property Damage	6,000,000	
Bodily Injury from Products and Completed Operations	6,000,000	
Sexual Abuse	6,000,000	
Personal Injury and Advertising Injury	6,000,000	
Employee Benefits Liability	6,000,000	1,000
Terrorism	1,000,000	
Premises Medical Payments:		
Per Person	5,000	
Per Accident	10,000	
Automobile Liability:		
Bodily Injury and Property Damage	6,000,000	1,000
Uninsured/Underinsured Motorists-Private Passenger Auto	1,000,000	
Uninsured/Underinsured Motorists-All Other Vehicles		
Per Person	15,000	
Per Accident	30,000	
Property Damage	5,000	
Personal Injury Protection	250,000	
Medical Payments for Private Passenger Vehicles	10,000	
Medical Payments for All Other Vehicles	5,000	
Terrorism	1,000,000	
Crime:		
Blanket Faithful Performance	100,000	500
Forgery or Alteration	100,000	500
Theft, Disappearance, & Destruction	50,000	500
Computer Fraud	50,000	500
School Leaders Errors & Omissions:		
Coverage A: Per Policy Period	3,000,000	25,000
Coverage B: Per Each Claim/Per Policy Period	100,000/300,000	25,000
Student Accident	1,000,000	
Workers' Compensation	2,000,000	
Environmental Impairment Liability (Aggregate)	11,000,000	25,000
Surety Bonds:		
Treasurer	300,000	
Board Secretary/Business Administrator	50,000	

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
STATE OF NEW JERSEY CIRCULAR 04-04-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Salem School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2014. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, 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 City of Salem School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the City of Salem School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Salem School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS000886

Woodbury, New Jersey
December 1, 2014

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2014

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2013</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
Impact Aid	84.041	N/A	\$ 15,827.21	07/01/13	06/30/14	
Education Jobs Fund	84.410	N/A	1,414.00	07/01/13	09/30/13	\$ (1,414.00)
U.S. Department of Health and Human Services:						
Passed-through State Department of Education:						
Medical Assistance Program	93.778	N/A	78,294.50	07/01/13	06/30/14	
Total General Fund						<u>(1,414.00)</u>
Special Revenue Fund:						
U.S. Department of Education						
Passed-through State Department of Education:						
N.C.L.B.:						
Title I, Part A	84.010	NCLB463014	953,070.67	07/01/13	06/30/14	
Title I, Part A	84.010	NCLB463013	862,353.10	09/01/12	08/31/13	<u>(173,898.67)</u>
Total Title I, Part A						<u>(173,898.67)</u>
Title II, Part A	84.367	NCLB463014	143,500.00	07/01/13	06/30/14	
Title II, Part A	84.367	NCLB463013	143,424.00	09/01/12	08/31/13	<u>(37,017.00)</u>
Total Title II, Part A						<u>(37,017.00)</u>
I.D.E.A. Part B:						
Special Education Cluster:						
I.D.E.A. Part B, Basic Regular	84.027	IDEA463014	289,362.00	07/01/13	06/30/14	
I.D.E.A. Preschool Incentive	84.173	IDEA463014	7,057.00	07/01/13	06/30/14	
Total I.D.E.A. Part B Special Education Cluster						<u>-</u>
Education for Homeless Children and Youth						
McKinney - Education for Homeless Children & Youth	84.196	09-BR12-H02	8,131.31	09/01/13	08/31/14	
McKinney - Education for Homeless Children & Youth	84.196	09-BR12-H02	6,534.41	09/01/12	08/31/13	<u>(1,222.23)</u>
Total McKinney - Education for Homeless Children & Youth						<u>(1,222.23)</u>
Carl D. Perkins Vocational and Technical:						
Education Act of 1998 - Secondary						
Education Act of 1998 - Secondary	84.048	PERK463014	14,273.00	07/01/13	06/30/14	
Education Act of 1998 - Secondary	84.048	PERK463013	16,681.00	07/01/12	06/30/13	<u>(1,021.00)</u>
Total Education Act of 1998 - Secondary						<u>(1,021.00)</u>
Total U.S. Department of Education						<u>(213,158.90)</u>
Total Special Revenue Fund						<u>(213,158.90)</u>
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Education:						
Fresh Fruit & Vegetable Program						
Child Nutrition Cluster:	10.582	Unavailable	21,100.00	07/01/13	06/30/14	
Cash Assistance:						
National School Lunch Program	10.555	Unavailable	507,978.63	07/01/13	06/30/14	
National School Lunch Program	10.555	Unavailable	477,277.15	07/01/12	06/30/13	<u>(72,328.47)</u>
National School Breakfast Program	10.553	Unavailable	166,568.51	07/01/13	06/30/14	
National School Breakfast Program	10.553	Unavailable	169,248.43	07/01/12	06/30/13	<u>(26,107.77)</u>
National School Snack Program	10.555	Unavailable	9,092.00	07/01/13	06/30/14	
National School Snack Program	10.555	Unavailable	8,472.36	07/01/12	06/30/13	<u>(626.34)</u>
Non-Cash Assistance (Food Distribution):						
Food Distribution Program	10.555	Unavailable	52,218.59	07/01/13	06/30/14	
Food Distribution Program	10.555	Unavailable	44,082.41	07/01/12	06/30/13	<u>983.05</u>
Total Child Nutrition Cluster						<u>(98,079.53)</u>
Total Enterprise Fund						<u>(98,079.53)</u>
Total Federal Financial Assistance						<u>\$ (312,652.43)</u>

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover)	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2014		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor
	\$ 15,827.21 1,414.00	\$ (15,827.21)					
	78,294.50	(78,294.50)					
-	95,535.71	(94,121.71)	-	-	-	-	-
	739,902.67 286,993.33	(842,140.87) (113,094.66)			\$ (102,238.20)		
-	1,026,896.00	(955,235.53)	-	-	(102,238.20)	-	-
	115,054.00 37,017.00	(141,149.84)			(26,095.84)		
-	152,071.00	(141,149.84)	-	-	(26,095.84)	-	-
	289,362.00 6,476.00	(289,362.00) (7,057.00)			(581.00)		
-	295,838.00	(296,419.00)	-	-	(581.00)	-	-
	5,692.90 1,222.23	(5,945.96)			(253.06)		
-	6,915.13	(5,945.96)	-	-	(253.06)	-	-
	12,813.00 1,021.00	(14,273.00)			(1,460.00)		
-	13,834.00	(14,273.00)	-	-	(1,460.00)	-	-
-	1,495,554.13	(1,413,023.33)	-	-	(130,628.10)	-	-
	1,495,554.13	(1,413,023.33)			(130,628.10)		
	18,856.34	(21,100.00)			(2,243.66)		
	469,689.07 72,328.47 153,548.89 26,107.77 8,783.20 626.34	(507,978.63) (166,568.51) (9,092.00)			(38,289.56) (13,019.62) (308.80)		
	52,218.59	(50,011.72) (983.05)				\$ 2,206.87	
-	802,158.67	(755,733.91)	-	-	(53,861.64)	2,206.87	-
-	802,158.67	(755,733.91)	-	-	(53,861.64)	2,206.87	-
\$ -	\$ 2,393,248.51	\$ (2,262,878.95)	\$ -	\$ -	\$ (184,489.74)	\$ 2,206.87	\$ -

SALEM CITY BOARD OF EDUCATION
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2014

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2013	Carryover / (Walkover)
			From	To		
General Fund:						
New Jersey Department of Education:						
Current Expense:						
State Aid - Public Cluster						
Equalization Aid	495-034-5120-078	\$ 13,079,730.00	07/01/13	06/30/14		
Equalization Aid	495-034-5120-078	12,815,193.00	07/01/12	06/30/13	\$ (1,238,730.02)	
School Choice	495-034-5120-068	5,612.00	07/01/13	06/30/14		
School Choice	495-034-5120-068	5,412.00	07/01/12	06/30/13	(523.12)	
Special Education Categorical Aid	495-034-5120-089	538,956.00	07/01/13	06/30/14		
Special Education Categorical Aid	495-034-5120-089	527,417.00	07/01/12	06/30/13	(50,980.68)	
Security Aid	495-034-5120-084	404,168.00	07/01/13	06/30/14		
Security Aid	495-034-5120-084	394,823.00	07/01/12	06/30/13	(38,164.01)	
Adjustment Aid	495-034-5120-085	2,171,621.00	07/01/13	06/30/14		
Adjustment Aid	495-034-5120-085	2,265,115.00	07/01/12	06/30/13	(218,948.40)	
Total State Aid - Public Cluster					(1,547,346.23)	-
Transportation Aid						
Transportation Aid	495-034-5120-014	159,661.00	07/01/13	06/30/14		
Transportation Aid	495-034-5120-014	155,448.00	07/01/12	06/30/13	(15,025.77)	
Total Transportation Aid					(15,025.77)	-
Other State Aid - Bullying Prevention Fund						
	100-034-5064-201	746.00	07/01/13	06/30/14	-	-
Extraordinary Special Education Aid						
Extraordinary Special Education Aid	100-034-5120-473	162,329.00	07/01/13	06/30/14		
Extraordinary Special Education Aid	100-034-5120-473	96,433.00	07/01/12	06/30/13	(96,433.00)	
Total - Extraordinary Special Education Aid					(96,433.00)	-
T.P.A.F. Social Security Aid						
T.P.A.F. Social Security Aid	495-034-5095-002	754,099.52	07/01/13	06/30/14		
T.P.A.F. Social Security Aid	495-034-5095-002	791,863.10	07/01/12	06/30/13	(4,013.02)	
Total - T.P.A.F. Social Security Aid					(4,013.02)	-
Total General Fund					(1,662,818.02)	-
Special Revenue Fund:						
New Jersey Department of Education:						
Preschool Education Aid						
Preschool Education Aid	495-034-5120-086	2,158,992.00	07/01/13	06/30/14		
Preschool Education Aid	495-034-5120-086	1,843,289.00	07/01/12	06/30/13	(184,337.00)	
Preschool Education Aid	495-034-5120-086	1,797,920.00	07/01/11	06/30/12	10,436.45	
Total - Preschool Education Aid					(173,900.55)	
School Based Youth Services						
School Based Youth Services	11XWSP	263,976.00	07/01/13	06/30/14		
School Based Youth Services	11XWSP	263,976.00	07/01/12	06/30/13		
Total - School Based Youth Services					-	-
Family Friendly Centers						
	11XWSP	45,463.00	07/01/13	06/30/14	-	-
Total Special Revenue Fund					(173,900.55)	-
Capital Projects Fund:						
New Jersey School Development Authority:						
Additional State School Building Aid - SDA Grants	100-034-5120-016	1,316,830.76	Project Completion		(363,653.51)	-
Debt Service Fund:						
New Jersey Department of Education:						
Debt Service Aid, Type 2	495-034-5120-075	228,401.00	07/01/13	06/30/14	-	-

(Continued)

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2014			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
\$ 11,848,821.30	\$ (13,079,730.00)			\$ (1,230,908.70)			\$ (1,230,908.70)	\$ (13,079,730.00)
1,238,730.02								(12,815,193.00)
5,083.87	(5,612.00)			(528.13)			(528.13)	(5,612.00)
523.12								(5,412.00)
488,235.87	(538,956.00)			(50,720.13)			(50,720.13)	(538,956.00)
50,980.68								(527,417.00)
366,132.51	(404,168.00)			(38,035.49)			(38,035.49)	(404,168.00)
38,164.01								(394,823.00)
1,967,253.85	(2,171,621.00)			(204,367.15)			(204,367.15)	(2,171,621.00)
218,948.40								(2,265,115.00)
16,222,873.63	(16,200,087.00)	-	-	(1,524,559.60)	-	-	(1,524,559.60)	(32,208,047.00)
144,635.60	(159,661.00)			(15,025.40)			(15,025.40)	(159,661.00)
15,025.77								(155,448.00)
159,661.37	(159,661.00)	-	-	(15,025.40)	-	-	(15,025.40)	(315,109.00)
746.00	(746.00)	-	-	-	-	-	-	(746.00)
96,433.00	(162,329.00)			(162,329.00)				(162,329.00)
96,433.00	(162,329.00)	-	-	(162,329.00)	-	-	-	(258,762.00)
716,973.67	(754,099.52)			(37,125.85)				(754,099.52)
4,013.02								(791,863.10)
720,986.69	(754,099.52)	-	-	(37,125.85)	-	-	-	(1,545,962.62)
17,200,700.69	(17,276,922.52)	-	-	(1,739,039.85)	-	-	(1,539,585.00)	(34,328,626.62)
1,943,100.00	(2,158,992.00)			(215,892.00)				(2,158,992.00)
184,337.00								(1,843,289.00)
	(10,436.00)	\$ (0.45) B						(1,797,919.55)
2,127,437.00	(2,169,428.00)	(0.45)		(215,892.00)				(5,800,200.55)
263,976.00	(263,976.00)							(263,976.00)
		1,592.62 C	\$ (1,592.62)					(262,383.38)
263,976.00	(263,976.00)	1,592.62	(1,592.62)	-	-	-	-	(526,359.38)
45,463.00	(45,463.00)	-	-	-	-	-	-	(45,463.00)
2,436,876.00	(2,478,867.00)	1,592.17	(1,592.62)	(215,892.00)	-	-	-	(6,372,022.93)
922,277.01	-	(779,916.00) A	-	(221,292.50)	-	-	-	(1,316,830.76)
228,401.00	(228,401.00)	-	-	-	-	-	-	(228,401.00)

(Continued)

SALEM CITY BOARD OF EDUCATION
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2014

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2013</u>	<u>Carryover / (Walkover)</u>
			<u>From</u>	<u>To</u>		
Enterprise Fund:						
New Jersey Department of Agriculture:						
State School Lunch Program	100-010-3350-023	\$ 9,612.49	07/01/13	06/30/14		
State School Lunch Program	100-010-3350-023	9,453.96	07/01/12	06/30/13	\$ (1,422.58)	
Total - State School Lunch Program					(1,422.58)	-
Total Enterprise Fund					(1,422.58)	-
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					<u>\$ (2,201,794.66)</u>	<u>\$ -</u>
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of the Treasury:						
On-behalf T.P.A.F. Pension Contributions - Normal Cost	N/A	\$ 736,751.00	07/01/13	06/30/14		
On-behalf T.P.A.F. Pension Contributions - Post-Retirement Medical	N/A	449,342.00	07/01/13	06/30/14		
Total General Fund (Non-Cash Assistance)					-	-
Total State Financial Assistance					<u>\$ (2,201,794.66)</u>	<u>\$ -</u>

- (A) - New Project Approvals and Project Budget Revisions
 (B) - Rounding
 (C) - Difference in Liquidation of Prior Year Accounts Payable
 (D) - One Time Additional 2013 State Lunch

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2014			Memo Only	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2014	Cumulative Total Expenditures
\$ 8,883.21	\$ (9,612.49)			\$ (729.28)				\$ (9,612.49)
2,050.61		\$ (628.03) D						(9,453.96)
10,933.82	(9,612.49)	(628.03)	-	(729.28)	-	-	-	(19,066.45)
10,933.82	(9,612.49)	(628.03)	-	(729.28)	-	-	-	(19,066.45)
<u>\$ 20,799,188.52</u>	<u>\$ (19,993,803.01)</u>	<u>\$ (778,951.86)</u>	<u>\$ (1,592.62)</u>	<u>\$ (2,176,953.63)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,539,585.00)</u>	<u>\$ (42,264,947.76)</u>
\$ 736,751.00	\$ (736,751.00)							\$ (736,751.00)
449,342.00	(449,342.00)							(449,342.00)
1,186,093.00	(1,186,093.00)	-	-	-	-	-	-	(1,186,093.00)
<u>\$ 21,985,281.52</u>	<u>\$ (21,179,896.01)</u>	<u>\$ (778,951.86)</u>	<u>\$ (1,592.62)</u>	<u>\$ (2,176,953.63)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,539,585.00)</u>	<u>\$ (43,451,040.76)</u>

CITY OF SALEM SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2014

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the City of Salem School District (hereafter referred to as the "School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is \$22,787.00 for the general fund and \$(97,454.10) for the special revenue fund. The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$(65,899.10) for the special revenue fund. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 94,121.71	\$ 18,485,802.52	\$ 18,579,924.23
Special Revenue	1,363,011.90	2,431,424.33	3,794,436.23
Capital Projects		779,916.00	779,916.00
Debt Service		228,401.00	228,401.00
Food Service	755,733.91	10,240.52	765,974.43
Total Awards and Financial Assistance	<u>\$ 2,212,867.52</u>	<u>\$ 21,935,784.37</u>	<u>\$ 24,148,651.89</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2012-2013, minor cancelations and capital projects approvals or modifications. Adjustments are identified and explained as footnotes to Exhibit K-3 and K-4.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2014, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the Federal Food Distribution Program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**CITY OF SALEM BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2014**

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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 OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A Cluster
	Child Nutrition Cluster
10.555	National School Lunch Program
10.553	National School Breakfast Program
10.555	National School Snack Program
10.555	Food Distribution Program

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

**CITY OF SALEM BOARD OF EDUCATION
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2014**

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

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 OMB Circular A-133 or New Jersey Circular 04-04-OMB? ___ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid - Public Cluster
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-068	School Choice Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid
100-034-5120-016	Additional State School Building Aid - SDA Grants

Dollar threshold used to determine Type A programs \$ 599,814.00

Auditee qualified as low-risk auditee? X yes ___ no

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None

**CITY OF SALEM SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
And Questioned Costs as Prepared by Management**

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

No Prior Year Audit Findings.

25800

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Public School Accountant
No. CS000886

